



Retrospective and prospective voting in a one-party- dominant democracy: Taiwan's 1996 presidential election

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Abstract. Several theories of voting behavior suggest that voters evaluate candidates in an election based on the candidates' past performance and future promise. There is a dispute in the theory and ambiguity in empirical evidence about which direction voters look when choosing candidates: do voters weigh past performance or future promise more heavily in the voting booth? This paper contributes empirical support to the prospective voting model by testing both retrospective and prospective voting in a pivotal case: the 1996 Taiwan presidential election. Taiwan's 1996 election represents the first popular election of the president from a field of candidates that included the long-ruling KMT party incumbent, Lee Tent-hui. In the Taiwan presidential election, voter evaluations of Lee's prospects for managing the economy in the future prove statistically significant as a predictor of voter choice. Voter evaluations of recent economic conditions do not appear closely related to voter choice. Voters' perceptions of the candidates' abilities to influence ethnic relations, domestic safety, and international security are better predictors of the vote than past ethnic relations or past security problems, even in the face of Communist China's pre- election aggression toward Taiwan.

1. Introduction

Theories of voting behavior disagree on whether voters vote retrospectively or prospectively. According to the retrospective voting model, voters evaluate an incumbent's past performance, typically on economic issues, and vote against the incumbent if conditions worsened during his or her term in office (Key, 1966; Fiorina, 1981). The prospective voting model suggests that even if voters consider a candidate's past performance, they look primarily at each candidate's future promise for managing national affairs, again typically economic (Downs, 1957; Achen, 1992). The empirical evidence weighing these two models is mixed (Kiewiet, 1983; Lewis-Beck, 1990). This paper seeks to adjudicate between prospective and retrospective voting models by testing each in an important pivotal case: Taiwan's first popular presidential election, on 23 March 1996.

Taiwan represents an important case for the study of prospective and retrospective voting since it is, and has been for five decades, a one-party-dominant regime. Though Taiwan is now a fully functioning democratic state with free and fair elections for both the legislative and executive branches, Taiwan remains a one-party-dominant regime with the ruling Kuomintang (Nationalist Party) controlling government at most levels. Taiwan's unique political situation makes it an ideal test case for retrospective and prospective voting models on three counts. First, Taiwan's legislative and executive branches of government have been unified under one party for decades, thus allowing voters to identify clearly who is responsible for past economic and social conditions. The United States often serves as a test case for retrospective voting models (Fiorina, 1981), but given recent American experiences with divided government (Fiorina, 1992; Jacobson, 1990), it is difficult for American voters to serve as "rational gods of vengeance and reward" (Key, 1966). Second, Taiwan's executive branch has been controlled by President Lee Teng-hui for eight years. Lee's tenure enables voters to attribute economic and social conditions to Lee rather than having to decide whether Lee inherited conditions from recent predecessors. Most tests of retrospective voting models use American electoral data, but when a candidate has served only four years or less, as is the case in every American presidential election since 1948, it is difficult for voters to decide whether the president is truly accountable for national conditions. Finally, Taiwanese voters typically find four issues important in national elections: the economy, relations with Communist China, public safety, and ethnic relations. In other countries many more issues – religious, racial, environmental, and cultural – often cloud any attempts to test a parsimonious issue voting model. By tapping voter evaluations of past performance on a few issues along with their evaluations of candidates' potential to improve or undermine those issues, we are able to determine whether voters in the 1996 Taiwan presidential election simply looked at the past and decided to stay the course or whether they looked to the future and evaluated the many different paths offered by the competing candidates.

Our results are surprising. Using data provided by National Chengchi University, we estimate a multinomial logit model of the vote for Lee, Peng, Chen, and Lin. We find that voter evaluations of past economic conditions – both sociotropic and personal – are not statistically significant as an explanation of voter choice. Instead, voter evaluations of Lee's prospects for managing the economy are statistically significant as an explanation of the vote. Voters also evaluated the candidates' abilities to manage ethnic relations and cross-strait relations in the future. Retrospective evaluations of ethnic relations, strait relations, and public safety are not statistically significant

as explanations of the vote. However, the prospective and candidate-specific versions of these issues are significant.

The paper proceeds as follows. We provide a brief background on Taiwan's first popular election of a president (Section 2). We then outline the competing models of voting and discuss empirical findings to date (Section 3). We describe our model and data, and we present results using multinomial logit to estimate the model (Section 4). We conclude by discussing the importance of our findings in the general literature on voting behavior and on the future of Taiwanese presidential elections (Section 5).

2. Background

On 23 March, 1996, voters in Taiwan went to the polls to participate in the first direct election of the president in the history of the Republic of China (ROC) on Taiwan. According to the original stipulations of the ROC Constitution of 1946, the president and vice-president were elected by the National Assembly. The 1994 amendments to the Constitution, known as the Additional Articles, require direct popular election of the president and vice-president. The presidential and vice-presidential candidates run as a single ticket, and the ticket that attains a plurality of the popular vote is elected.

Although the ROC Constitution provides essentially for a parliamentary form of government, the president has, for most of the past half a century, exercised a great deal of power due to his control over the ruling Kuomintang (Nationalist Party, KMT), which has always commanded a majority of seats in the Legislative Yuan (Parliament) (Hsieh, 1993).

The KMT nominated Lee Teng-hui as its presidential candidate. Lee picked Premier Lien Chan as his running mate. The major opposition party, the Democratic Progressive Party (DPP), after a two-stage primary, nominated Peng Ming-min, a long-time political refugee residing overseas. His running mate was Hsieh Chang-ting, a prominent DPP member of the Legislative Yuan. Lin Yang-kang and Hau Pei-tsun, both of whom were KMT vice-chairmen, bolted their party to run as an independent ticket. The fourth ticket in race was Chen Li-an and Wang Ching-feng. Chen was a former member of the KMT and president of the Control Yuan, an organ similar to the parliamentary ombudsman in the Scandinavian countries. His running mate, Wang Ching-feng, a member of the Control Yuan, was the only female candidate in the presidential race. The opposition New Party (NP), which split from the KMT in 1993, did not formally nominate a candidate, but decided instead to endorse the Lin- Hau ticket.

The election outcome was clear from the beginning of the campaign. President Lee was well ahead of his opponents according to the polls released by

Table 1. The result of the 1996 presidential election

Candidate	Party	Vote %
Lee Teng-hui	KMT	54.00
Peng Ming-min	DPP	21.13
Lin Yang-kang	Independent*	14.90
Chen Li-an	Independent	9.98

*indicates endorsement by the New Party.
Source: *China Times*, 24 March 1996.

various organizations during the campaign. He ended up, as Table 1 shows, with 54% of the valid vote, about 33 percentage points ahead of the second vote-getter, DPP's Peng Ming-min.

3. Retrospective and prospective voting

Retrospective voting has gained widespread appeal as a simple yet powerful explanation of voter choice. V.O. Key argued that voters are "rational gods of vengeance and reward," who observe the performance of the incumbent and "cast him out" if the incumbent's performance is poor. As V.O. Key, Jr. claimed, "Voters may reject what they have known; or they may approve what they have known. They are not likely to be attracted in great numbers by promises of the novel or the unknown" (Key, 1966: 61). Rather than attempting to anticipate the consequences of various policy proposals, voters look at past results. Elections, then, are plebiscites. Fiorina (1981) further develops and tests the theory of retrospective voting in the United States. He finds support for a theory of retrospection close to Key's. Voters appear to weigh past outcomes heavily and to pay scant attention to policy prescriptions.

A very different theory of voting holds that voters look forward rather than backward. Downs (1957) proposes a forward-looking theory of voting that is grounded in, but not limited to, retrospective evaluations of the incumbent. While a pure retrospective voting theory such as Key's is rooted in simple reward and punishment motives in voters, Downs argues that retrospective evaluations of candidates and parties become predictors of future performance in office. In Downs's (1957: 49) terminology: "By comparing the stream of utility income from government activity he has received under the present government (adjusted for trends) with those streams he would have received if the various opposition parties had been in office, the voter finds ... his preference among the competing parties." Instead of evaluating

political candidates (or parties) based on their past performance, voters evaluate past policies in order to anticipate future policies. Downs attaches great importance to retrospective voting, but, at its core, his thesis holds that voters are investors maximizing future well-being.

Achen (1992) argues that voter rationality implies prospective rather than retrospective voting. The inclusion and success of retrospective evaluations in voting models is due to their correlation with other sources of candidate evaluations. Retrospective evaluations are an instrumental and intermediate step in voter evaluations of candidates, but they are not the ultimate decision rule for voters. Achen, like Downs, believes that voters have the motivation and information necessary to anticipate how different candidates or parties will behave in office.

Theories of voting also disagree on whether voters care more about their personal well-being or about national conditions. The theories of Key, Downs, and Fiorina all suggest that a voter's ultimate concern is her own well-being. Fiorina (1981) is a bit less restrictive in casting retrospective voting in purely self-interested terms. He includes measures of voters' estimates of their own condition and national conditions, finding that both are statistically significant as predictors of the vote. Kinder and Kiewiet (1981) and Kiewiet (1983) argue that voters are sociotropic rather than self-interested, meaning that they care more about the conditions of the national situation or of specific socio-economic groups than about their own well-being. Different studies suggest that different indicators of economic growth, unemployment, inflation and personal income (Erikson, 1989, 1990; Fair, 1978, 1988; Hibbs, 1987; Tufte, 1978).

A prospective sociotropic voter evaluates the candidates by looking at what they will do rather than what they have done, but, unlike prospective personal voters, they care about national or regional conditions. MacKuen, Erikson, and Stimson (1992) find empirical support for the idea that voters are bankers (sophisticated and forward-looking) rather than peasants (uninformed and backward-looking). MacKuen, Erikson, and Stimson, unlike Downs, believe that voters look at national conditions when evaluating the prospects of different candidates. Their empirical model predicts changes in presidential approval ratings based on fluctuations in inflation and unemployment and on retrospective and prospective evaluations of personal and national conditions. Based on data from 1954 to 1988, they find that voter expectations about national economic conditions are statistically significant across several model specifications.

Lewis-Beck (1990) finds cross-national support for prospective voting. His study of voting in Western Europe and the United States during the early 1980s reveals that "Economic voters in these nations do act retrospectively,

just as Key (and Downs) have described. However, they also respond to a purely prospective component of economic evaluation" (p. 135).

Most of the studies on retrospective or prospective voting have focused on national election in the United States and Western Europe. Only a few studies have focused on a case such as Taiwan. Hwang (1994), in a study of Taiwan's Legislative Yuan election, finds that economic conditions were not significant to voter choice. However, Hsieh, Lacy, and Niou (1996) find that economic conditions did matter in the Taipei mayor's race of 1995. Nevertheless, such studies are rare, and the results are contradictory. The recent presidential election in Taiwan provides another opportunity to extend and refine the previous findings.

In the case of Taiwan, one may suspect that economic voting may not be significant since Taiwan's economic condition has been generally good over the past several decades. For several decades, Taiwan's economy grew at an annual rate of 8 to 9% on average, and the distribution of income and wealth gradually improved. However economic growth has slowed recently to an annual rate of about 6%, and even the distribution of income and wealth has deteriorated to some extent. Given the recent changes in economic conditions, voters may have reason to disapprove of Lee Teng-hui's performance as president.

The Election Study Center of National Chengchi University conducted a nationwide face-to-face survey of 1396 respondents before and after the election. The survey included questions to tap voter assessments of national and personal economic conditions. One question that addresses retrospective evaluations of the national economy condition is phrased as follows:

"Do you feel that the current economic condition of our whole society is better or worse than one year ago, or stays the same?"

- | | | | |
|-----------------|----------------|----------------------|-----------|
| 01. Much better | 02. Better | 03. About the same | 04. Worse |
| 05. Much worse | 06. Don't know | 07. Refuse to answer | |

A similar question asked voters to rate their personal finance over the past year. Table 2 shows how respondents in Taiwan perceived national and personal economic performance over the previous year and anticipated economic performance over the next year. Retrospective perceptions of the national economy are quite pessimistic: about two thirds of respondents believe the national economy worsened, 23% believe it stayed the same, and only slightly more than one-tenth believe it got better. Retrospective evaluations of respondents' own economic well-being are much more concentrated: 28% of respondents believe they were worse off, 61% the same, and 12% better off. Prospective evaluations reveal quite different patterns. The respondents are very optimistic. On the national economy, only 18% of respondents believe

Table 2. Perceptions of the economy

	Much worse	Worse	Same	Better	Much better	N
National	404	467	297	114	21	1304
Last year	(31)	(36)	(23)	(9)	(2)	
Personal	127	253	820	134	21	1355
Last year	(9)	(19)	(61)	(10)	(2)	
National	33	124	302	402	33	894
Next year	(4)	(14)	(34)	(45)	(4)	
Personal	12	78	516	320	31	956
Next year	(1)	(8)	(54)	(34)	(3)	

Note. Cell entries are number of respondents, with row percentages in parentheses. Row percentages may not sum to 100 due to rounding. Based upon survey conducted by the Election Study Center, National Chengchi University.

the economy will get worse over the next year, 34% believe the economy will stay the same, and nearly half of respondents believe the economy will get better. Nine percent of respondents believe their own economic situation will worsen, while 54% believe they will stay the same and 37% believe they will be better off. The correlations among these variables are modest. The correlation between national prospective and national retrospective evaluations is .24; between personal prospective and personal retrospective evaluations, .37. The correlations between national prospective and personal retrospective is .34 while the correlation between national retrospective and personal prospective is .34.

As Table 2 illustrates, there are obvious discrepancies among various types of evaluations: people are more optimistic about the future than about the past, and their evaluations of personal well-being are more concentrated than their evaluations of the national economy. Moreover, the table reveals that the number of people responding to questions regarding retrospective evaluations is much larger than the number offering prospective evaluations. Such discrepancies are interesting and suggest a line of research into how people form expectations of the economy. However, we do not pursue that here. All these questions in the survey were asked *before* voters were asked about their vote intentions, thus we do not expect that economic perceptions are rationalizations about a person's choice of the incumbent or a challenger in the election.

Voters may be concerned about issues other than the economy as they go to the polls. National security is a paramount concern of Taiwanese voters due to the threat from the Chinese Communists on the mainland. In the 1995 election survey, two questions tap the status of the evaluations between Taiwan and the mainland in the previous year and in the next year. The wordings are similar to the previous questions concerning economic conditions.

Taiwanese voters also care about political and social stability. Four questions asked respondents to evaluate law and order in the previous year, law and order in the next year, ethnic relations in the previous year, and ethnic relations in the next year. These questions are all related to domestic stability, and are certainly very important concerns for the voters in Taiwan.

Table 3 shows that, on the situations of cross-strait relations and law and order, most people give quite negative responses to the past, but are generally quite positive about the future. On cross-strait relations, more than three-fifths of respondents believe the situation worsened in the previous year, 22% believe it stayed the same, and only 16% believe it got better. This reflects the tensions between Taiwan and the mainland prior to the election. On law and order, 46% think that the situation was worse, 39% the same, and 15% better. But when the respondents look to the future, their evaluations are brighter. Only about 14% of respondents believe the cross-strait relations will get worse, 29% believe the same, and 58% believe it will improve. On law and order, 19% believe the situation will get worse in the future, 48% believe the same, and one-third believe that it will get better. On ethnic relations the respondents are generally optimistic. Retrospectively, only 14% of respondents think ethnic relations worsened, 48% believe relations remained the same, and about 39% believe ethnic relations improved. Prospectively, only 5% believe the ethnic situation will get worse, 46% believe it will remain the same, and nearly half believe that ethnic relations will improve. The correlations among these are modest. The highest correlation appears between retrospective and prospective evaluations of ethnic relations (.69).

The relationship between retrospective evaluations and vote choice is straightforward. If voters believe that economic, social, and political conditions worsened, they should vote against the incumbent, Lee Teng-hui. The relationship between vote choice and prospective assessments of national conditions is more complex. If voters believe that conditions will improve during the next year, it is not clear for who they should vote, nor is it clear why they expect conditions will improve. It is possible that a person who believes conditions will improve does so because she believes Lee will win reelection and that he will handle the national affairs capably. Another voter may believe that national conditions will improve because she believes Lee will be defeated.

Table 3. Perceptions of social and political situations

	Much worse	Worse	Same	Better	Much better	N
Security	261	428	241	165	16	1109
Last year	(24)	(39)	(22)	(15)	(1)	
Law & order	196	379	499	177	17	1269
Last year	(16)	(30)	(39)	(14)	(1)	
Ethnic rel.	32	124	550	372	65	1144
Last year	(3)	(11)	(48)	(33)	(6)	
Security	30	79	243	448	36	837
Next year	(4)	(10)	(29)	(54)	(4)	
Law & order	49	107	391	253	14	814
Next year	(6)	(13)	(48)	(31)	(2)	
Ethnic rel.	20	33	446	408	72	979
Next year	(2)	(3)	(46)	(42)	(7)	

Note. Cell entries are number of respondents, with row percentages in parentheses. Row percentages may not sum to 100 due to rounding. Based upon survey conducted by the Election Study Center, National Chengchi University.

Prospective evaluations should be candidate-specific. That is, voters should attach to each candidate an assessment of how well that candidate will perform in office. To tap prospective evaluations of the candidates, the National Chengchi University Election Study asked voters which candidate or candidates would best handle the economy, law and order, ethnic relations, and straits relations. Table 4 presents the percentage of respondents who believe that each of the candidates is best able to handle each of the issues.

Lee dominates all other candidates in voters' assessments of his ability to manage national affairs. Lee's strongest issue is the economy, followed by relations with the mainland, public safety, and ethnic relations. Chen and Peng earn their highest marks on ethnic relations; Lin, on public safety. The low marks earned by the three challenges underscores a classic problem for political challengers in one-party regimes or even competitive democracies: until a person has held office, voters have little to evaluate.

4. The model and results

The purpose of this paper is to assess the beliefs related to vote choice. Particularly, we are interested in whether voters vote retrospectively or prospec-

Table 4. Percentage of voters who rate each candidate as best able to manage issues

Issue	Lee	Chen	Peng	Lin	N
Economy	70	2	4	3	1003
Ethnic relations	41	14	7	6	1003
Public safety	48	5	5	11	1003
Straits	51	8	3	7	1003

Note. Entries are row percentages. Entries may not sum to 100% since some respondents mentioned multiple candidates or no candidates as best able to handle each issue.

tively. The dependent variables in our formulation will be vote choice in the 1996 Taiwan presidential election as reported by survey respondents. The dependent variable has four unordered possibilities: vote for Lee, for Peng, for Lin, and for Chen. We use multinomial logit to estimate the model, normalizing coefficients for Lee at zero. All other coefficients from the model are interpreted as the impact of that variable on vote choice, relative to a vote for Lee.

Independent variables include party identification and evaluations of the economy, public safety, ethnic relations, and cross-strait relations during the past year. To determine the extent of prospective voting, we turn to questions that ask voters which candidate would most capably handle each of four issue areas: the economy, public safety, ethnic relations, and relations across the straits. Respondents could list any one candidate or combinations of two, three, or four candidates as well as answering that none of the candidates could capably handle an issue. We code a dummy variable for each candidate on each issue. The dummy variable takes a value of (1) if a voter believes that the candidate can handle the issue better than any other candidate. The excluded category of response on each issue includes voters who believe that combinations of two, three, all, or no candidates could capably handle the issue. We include party identification in our model, formulated as three dummy variables, KMT, DPP, and NP, indicating which party a voter generally supports. Table 5 presents the results.

Partisanship is statistically significant as an explanation of voter choice. KMT supporters are less likely to support candidates other than incumbent President Lee Teng-hui; the DPP supporters are more likely to support Peng Ming-min; and the NP supporters are more likely to support Lin Yang-kang. But even after taking into consideration voters' party identification, retrospective and prospective evaluations of the economy, security, ethnic rela-

tions, and straits relations appear statistically significant as predictors of voter choice.

Surprisingly, retrospective evaluations of the economy, both national and personal, are not statistically significant, except that people who believe the national economy improved during the last year are more likely to vote for Lin than Lee. One explanation of this result may be that voters who believe the economy improved during the last year are more willing to risk a vote for Lin, who campaigned primarily on non-economic issues. Prospective evaluations of Lee's ability to handle the economy are statistically significant in the comparison of Lee with each of the other candidates. The evidence suggests that to the extent that voters vote economically, they rely more on prospective evaluations than retrospective evaluations. Prospective evaluations are likely a function of retrospective evaluations, but our results suggest that beliefs about a candidate's future performance are more closely related to vote choice than beliefs about past performance.

Retrospective evaluations of ethnic relations, straits relations, and public safety are not statistically significant as explanations of the vote. However, the prospective, candidate-specific versions of these issues are significant. People who believe that Peng Ming-min is most able to handle ethnic relations and straits relations are more likely to choose him over Lee. Chen draws support from voters who believe he is best able to handle ethnic problems, and Lin gets the votes of voters who believe he is capable of dealing with straits relations and ethnic problems. Lee appears to draw his support from prospective evaluations of his ability to handle the economy and public safety. Prospective evaluations of candidates' abilities to handle various problems may present an endogeneity problem. That is, voters who vote for Lee may be rationalize doing so by responding that he is best able to handle the economy, ethnic relations, straits relations, and public safety. We believe this cannot explain our findings in Table 5 for several reasons. First, we asked voters to evaluate the candidates on each issue before asking them their vote. In doing so, we intended to minimize the extent to which voters would say the candidate they voted for would be best able to handle each of the issues. Second, if prospective evaluations are rationalizations, then one should expect to find that all prospective evaluations of the candidates are statistically significant. If a voter rationalizes voting for Lee by claiming he is best able to manage the economy, then why should she not also claim he is best able to handle public safety, ethnic relations, and straits relations? The simple fact that only a few prospective evaluations are statistically significant leads us to believe that voters are not automatically claiming that the candidate they voted for is best able to handle each of the issues. Finally, if prospective evaluations of various issues are rationalizations of the vote, then should not retrospective

evaluations of the economy be rationalizations as well? If a voter claims that Lee is best able to handle the economy simply because she voted for him, then she should also have reason to claim that the economy has not worsened over the past year. In short, voters appear not to simply rationalize their vote by claiming that the candidate they voted for is best able to handle all relevant issues. The prospective variables in our model suggest that voters choose a candidate based on how well they expect that candidate to handle important issues.

A surprising finding to emerge from Table 5 is that non- security issues appear at least as important as cross-strait relations. Before and after the election, commentators argued that security concerns dominated the presidential campaign, overshadowing almost all other issues. One plausible explanation is that voters' concerns about cross-strait relations had been "absorbed" by other factors such as economic concerns and party identification. Voters' evaluations of the cross-strait relations, particularly retrospective evaluations of the situation, are closely related to vote choice. Table 6 shows voters' retrospective evaluation of the cross-strait relations and their votes. President Lee fared better among voters who believed the situation had stayed the same or become better in the previous year than among those who thought it worsened. Other candidates found relatively more support from voters who believed the situation across the straits had worsened.

The relationship between prospective evaluations of the straits and vote choice is less clear-cut. Table 7 shows how voters voted according to their prospective evaluations of relations with mainland China. Only Lin acquired more support from voters who thought the situation would get worse in the next year. No clear pattern emerges for other candidates.

On balance, prospective evaluations of the candidates' abilities to solve various social, political, and economic problems appear to better explain the vote than retrospective evaluations. Retrospective evaluations of the economy carry little weight as a predictor of voter choice, except to the extent that prospective evaluations of Lee's ability to handle the economy stem from his past performance. This seems unlikely, however, since Table 2 shows that most voters believe the economy worsened during the year preceding the election, yet most voters voted for Lee.

The results reported in Table 5 support Achen's (1992) contention that rational voters vote prospectively rather than retrospectively. At least in Taiwan's first popular presidential election, voters appear to look forward rather than backward. For elections in other countries, the findings presented here suggests that economic conditions matter even in such a country as the ROC on Taiwan where economic performance has been generally good by international standards. Taiwan is not the first place one would expect to find

Table 5. Multinomial logit estimates of vote choice

Independent variable	Candidates		
	Chen.Peng	Lin.	
	Coefficient (S.E.)	Coefficient (S.E.)	Coefficient (S.E.)
Constant	-2.57 (1.66)	-1.40 (1.55)	-5.36** (1.83)
KMT	-2.05** (0.52)	-3.96** (1.07)	-1.26** (0.56)
DPP	-1.61** (0.80)	2.60** (0.45)	-1.80 (1.16)
NP	1.65** (0.64)	-0.56 (1.25)	3.04** (0.64)
Nat. econ.	0.10 (0.23)	-0.06 (0.23)	0.67** (0.28)
Last year			
Pers. econ.	-0.14 (0.28)	0.28 (0.24)	-0.12 (0.30)
Safety	0.26 (0.23)	-0.11 (0.22)	0.32 (0.24)
Last year			
Ethnic Rel.	-0.38 (0.24)	-0.33 (0.24)	-0.15 (0.26)
Last year			
Straits	0.39** (0.20)	0.30 (0.19)	-0.00 (0.22)
Last year			
Lee	-1.29** (0.57)	-1.92** (0.59)	-1.77** (0.66)
Economy			
Peng	-0.62 (1.12)	-0.33 (1.01)	-2.49 (1.61)
Economy			
Chen	0.03 (1.27)	-0.12 (1.43)	0.25 (1.33)
Economy			
Lin	-0.63 (1.48)	-1.12 (1.79)	-0.00 (1.12)
Economy			
Lee	0.10 (0.76)	0.69 (0.55)	0.89 (0.80)
Ethnic relations			
Peng	2.06* (1.14)	3.74** (0.84)	-0.86 (1.96)
Ethnic relations			
Chen	3.28** (0.66)	1.29** (0.63)	1.66** (0.82)
Ethnic relations			
Lin	1.63* (0.91)	-2.39* (1.40)	2.26** (0.89)
Ethnic relations			
Lee	-0.47 (0.57)	-1.40** (0.56)	-1.30* (0.72)
Safety			

Table 5. Continued.

Independent variable	Candidates		Coefficient (S.E.)
	Chen.Peng	Lin.	
	Coefficient (S.E.)	Coefficient (S.E.)	
Peng	-10.34	-1.17	-10.46
Safety	(115.04)	(0.83)	(108.57)
Chen	-0.06	-1.84**	-0.68
Safety	(0.75)	(0.92)	(0.91)
Lin	-0.71	-1.06	0.17
Safety	(0.67)	(0.77)	(0.72)
Lee	-0.47	0.95**	1.07
Straits	(0.58)	(0.54)	(0.79)
Peng	-9.66	2.52**	4.45**
Straits	(136.24)	(1.30)	(1.92)
Chen	0.63	0.14	1.52*
Straits	(0.65)	(0.74)	(0.90)
Lin	-0.13	0.76	2.38**
Straits	(0.81)	(0.88)	(0.93)

Coefficients for Lee normalized at zero.

Log likelihood: -270.18.

Number of observations: 662

Percent correctly predicted: 85.05

Predicted vote shares: Lee 64.8%, Chen: 8.3%, Peng 16.2%, Lin 10.7%.

Actual vote shares: Lee 64.8%, Chen 8.3%, Peng 16.2%, Lin 10.7%.

* indicates statistical significance at $p < .10$, two- tailed.

** indicates statistical significance at $p < .05$, two- tailed.

widespread economic voting. Yet the economy did matter. The results here also confirm the most recent wave of work demonstrating that prospective evaluations mean at least as much to voters as retrospective evaluations of the economy (MacKuen, Erikson, and Stimson, 1992; Lewis-Beck, 1990). Voters are not merely rational gods of vengeance and reward, as V.O. Key described them. Instead, voters form expectations of how political candidates will shape future economic performance.

Table 6. Retrospective evaluation of cross-strait relations and the vote

Evaluation	Vote				N
	Chen	Lee	Peng	Lin	
Much worse	19 (11)	89 (51)	38 (22)	29 (17)	175
Worse	37 (12)	198 (63)	47 (15)	30 (10)	312
Same	7 (4)	125 (76)	22 (13)	10 (6)	164
Better	5 (4)	91 (72)	15 (12)	16 (13)	127
Much better	1 (8)	10 (77)	1 (8)	1 (8)	13

Note. Cell entries are number of respondents, with row percentages in parentheses. Row percentages may not sum to 100 due to rounding. Based upon survey conducted by the Election Study Center, National Chengchi University.

Table 7. Prospective evaluation of cross-strait relations and the vote

Evaluation	Vote				N
	Chen	Lee	Peng	Lin	
Much worse	2 (10)	13 (62)	2 (10)	4 (19)	21
Worse	8 (13)	31 (50)	15 (24)	8 (13)	62
Same	18 (10)	104 (60)	33 (19)	17 (10)	172
Better	23 (7)	226 (67)	51 (15)	35 (10)	335
Much better	1 (4)	16 (64)	4 (16)	4 (16)	25

Note. Cell entries are number of respondents, with row percentages in parentheses. Row percentages may not sum to 100 due to rounding. Based upon survey conducted by the Election Study Center, National Chengchi University.

5. Conclusion

The results presented in this paper carry important implications for elections in Taiwan and for the body of theory in political science that relates election outcomes to retrospective or prospective voting. For Taiwanese elections, these results suggest that the economy is an important factor affecting the vote. Voters evaluate the economic performance and promise of competing candidates. Security concerns are important to Taiwanese voters, but they are not predominant. Public safety and ethnic relations are also important issues, but only to the extent that candidates can credibly commit to future improvements rather than campaigning on past success.

The results from Taiwan's first popular presidential election also serve as an important test case for theories of retrospective voting. Taiwan is the ideal case to evaluate retrospective voting since one party, the KMT, has been in power for decades, controlling both the executive and legislative branches of government, and since the incumbent candidate has been in power long enough for voters to evaluate his performance. Retrospective voting appears overshadowed by prospective voting, even in Taiwan. In other countries where government is divided between competing parties or where the incumbent executive has been in power only a short time, it is likely that voters will find retrospective clues less helpful when choosing among candidates.

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