

Future Prospects for the Consolidation of Democracy in Taiwan*

Yu Ching-hsin

Election Study Center
National Chengchi University

Since transition to democracy began to pick up speed in the 1980s, Taiwan has seen rapid political development, including the establishment of new political parties, the lifting of martial law, complete reelection of the parliament, and constitutional reform. During this process of political reform, Taiwan's economy has continued to grow and its society has remained stable. Observers anticipate a "political miracle" following on from Taiwan's economic miracle. Holding a less optimistic view, the author argues that the democratization process is not complete and that many factors threaten democratic consolidation. These include public dissatisfaction concerning social and economic justice and the distribution of wealth, a lack of consensus among the political elite on the issue of constitutional reform, different concepts of national identity, and the hostility of the People's Republic of China (PRC). Among these, national identity and the PRC factor present the biggest threats to further democratization. How Taiwan's political elite handle these issues will have a direct effect on the outcome of democratization.

Keywords: democratic transition, democratization, democratic consolidation

* * *

In the five decades since the end of World War II, Taiwan has created an economic miracle in which rapid growth has been combined with an equitable distribution of wealth. As one of the four "tiger economies" of Asia, along with South Korea, Singapore, and Hong Kong, Taiwan has attracted a lot of attention from political scientists. Most studies on Taiwan focus on the underlying factors influencing its outstanding economic performance, such as the influence of Japanese rule, a favorable international market (the U.S.

*Revised version of a paper presented at the 1995 annual convention of the Chinese Political Science Association, Taipei, January 17, 1996.

market in particular), effective economic policies, and the influence of such Confucian values as thrift and hard work.¹ Despite Taiwan's outstanding economic performance, democratization did not pick up pace until the late 1980s. Although the ruling Kuomintang (KMT, Nationalist Party of China) had put great effort into developing the island's economic potential, it had maintained an authoritarian political regime. Even though its constitution states clearly that the Republic of China (ROC) is a democratic country and though the KMT claimed to be determined to implement democracy, there was little progress in political development while Taipei remained locked in confrontation with Beijing. The local elections and "supplementary" parliamentary elections held in the 1950s and 1960s were no more than schemes by the KMT to justify its authoritarian rule and to win international support. There was no chance that these elections would bring about a regular transfer of power.

Although economic development had been successfully used by the KMT regime as a means of bolstering its legitimacy, its utility decreased over time as the external environment changed. Externally, there was no sign of an imminent breakthrough in the political confrontation with Beijing, and the Taiwanese people saw no reason why they should be denied their political rights indefinitely for the sake of resisting the communist threat and achieving national unification. In particular, from the late 1970s, as the People's Republic of China (PRC) under Deng Xiaoping gained more international prestige as a result of its economic reform program, Taipei's international position weakened. The strategy of contrasting Taiwan's combination of rapid economic growth and limited democracy with the PRC's totalitarian system had lost its appeal. Beijing's efforts to isolate Taipei in the international community, its "united front" strategy, and the KMT's failure to come up with an effective policy for breaking the stalemate in Taipei-Beijing relations persuaded the government that it could no longer postpone political reform.

Meanwhile, the third wave of democratization which started in the 1970s in Spain and Portugal had begun to have a snowball effect. In particular, the democracy movements in South Korea and the Philippines provided immediate and clear warnings to Taiwan's leaders.

¹Samuel P. S. Ho, *Economic Development of Taiwan, 1960-1970* (New Haven: Yale University Press, 1978); Edward Winckler and Susan Greenhalgh, eds., *Contending Approaches to the Political Economy of Taiwan* (New York: M. E. Sharpe, 1988).

The way "people power" was overthrowing dictatorships in these countries was particularly encouraging to the opposition in Taiwan.

On the domestic front, four decades of economic development had effected a deep and comprehensive change in Taiwan's socio-economic structure. Factors such as urbanization, universal education, the rise of the middle class, and even the externalization of economic development, exerted a great influence on Taiwan's political development.² Opponents of the government began to challenge the KMT regime more openly, one example being the Chungli incident of 1977, a spontaneous mass protest against the KMT's election fraud.³ By the beginning of the 1980s, cracks were appearing in the KMT's authoritarian regime. From then on, the government was spurred on to ever more rapid reform by the fast growing opposition movement.

Although the KMT has managed to remain in power throughout the democratization process and the transition to democracy has not been completed, the overall political picture in Taiwan has changed dramatically since the end of the authoritarian era. Democratization has become the main trend of political development. Many useful studies have been conducted regarding the crisis of the KMT's authoritarian regime and the forces behind the transition to democracy. However, Taiwan's democratization has now entered the phase of consolidation; and although democratic consolidation follows the breakdown of an authoritarian regime, the factors contributing to the collapse of the old regime do not necessarily facilitate consolidation. Moreover, transition to democracy does not guarantee that democracy will be consolidated—the outcome might be a mixed system somewhere between democracy and authoritarianism. More important still, even if democracy is consolidated, there is no guarantee that it will not collapse again like the authoritarian regime that preceded it. It is not the author's intention to deal once again with the reasons for the dissolution of the KMT's authoritarian regime. Instead, this paper will explore the future prospects of democratic consolidation in Taiwan and the obstacles that might be encountered.

²Ting Tin-yu, "Sociocultural Development in the Republic of China," in *Democracy and Development in East Asia: Taiwan, South Korea, and the Philippines*, ed. Thomas W. Robinson (Washington, D.C.: AEI Press, 1991), 80-81.

³Thomas B. Gold, *State and Society in the Taiwan Miracle* (New York: M. E. Sharpe, 1986), 3.

Democratic Transition and Consolidation

Theory of Democratization: An Overview

Since the end of World War II, scholars have begun to develop theories of democratization. Approaches and focuses have varied, and no one definite conclusion has been reached. One of the two most popular approaches is to examine socioeconomic changes while the other is to focus on the elite and their influence on political development.

The socioeconomic change approach focuses on the relationship between political democratization, on the one hand, and economic development, social mobilization, changes in social structure (such as the rise of the middle class and the development of civil society), and political culture, on the other. The most widely discussed study that adopts this approach is Seymour Martin Lipset's essay "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," published in 1959.⁴ In that article, Lipset adopted an empirical and comparative approach in exploring the relationship between economic development and democracy and came to the widely-debated conclusion that "the more economically developed the country is, the more it can sustain democracy." Many subsequent studies have followed this theme and adopted more advanced statistical methods and techniques. Their results have by and large confirmed Lipset's proposition.⁵ Some scholars have also looked at political development from the perspective of social change, and they regard the middle class, which tends to prefer political stability and seeks to avoid drastic change, as the backbone of democracy. Still others have suggested that democracy requires the existence of a civil society free from state repression and protected by the law. Political culture has also been deemed closely related to democracy, and the theory that "civic culture" fosters lasting democracy has attracted the attention of scholars of political development.

⁴Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (1959): 69-105.

⁵Phillips Cutright, "National Political Development: Measurement and Analysis," *American Sociological Review* 28 (1963): 253-64; Kenneth A. Bollen, "Political Democracy and the Timing of Development," *ibid.* 44 (1979): 572-88; Kenneth A. Bollen and Robert Jackman, "Political Democracy and the Size Distribution of Income," *ibid.* 50 (1985): 438-57.

The other approach concerns the interaction of political actors within the political system. This was the approach generally adopted by the Latin American school in the 1970s. According to this school, regardless of changes in a country's internal or external environment, the success of democratization is determined by the way members of the political elite interact in the decisionmaking process. Political actors may be classified into four groups: reformers and conservatives within the establishment, and moderates and radicals in the opposition. The interaction of these four groups directly affects the direction and outcome of democratization. Some scholars have argued that democratic transition is usually sparked off by a division between reformers and conservatives within the regime, while moderate and radical opposition elements sometimes adopt different strategies for the sake of their own interests in spite of their common stand against the regime. There is no fine line between these four groups. Sometimes, reformers will turn into conservatives when their interests dictate, or moderates may become radicals. Such changes of position have an immediate impact on democratization. Some scholars have proposed that the actors in different camps should try to reach political pacts on mutually-agreed rules of the game regarding the form of the new regime and the way it should be established.⁶

Although both approaches are popular, many arguments have arisen. Samuel Huntington pointed out in 1968 that when economic development produces more social participation and higher expectations than the political system can tolerate, it will lead to political regression.⁷ Guillermo O'Donnell further indicated that in Latin America, economic development had often given rise to authoritarian regimes rather than democracies.⁸ Other scholars, such as Dankwart A. Rustow, have warned against the assumption of a cause-and-effect relationship between economic development and democratization.⁹

⁶Guillermo O'Donnell and Philippe Schmitter, "Transition from Authoritarian Rule: Tentative Conclusion about Uncertain Democracies," in *Transitions from Authoritarian Rule: Prospects for Democracy*, ed. Guillermo O'Donnell, Philippe Schmitter, and Laurence Whitehead (Baltimore: The Johns Hopkins University Press, 1986), 19; Adam Przeworski, "The Games of Transition," in *Issues in Democratic Consolidation*, ed. Scott Mainwaring (Notre Dame, Ind.: University of Notre Dame Press, 1992), 108.

⁷Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

⁸Guillermo O'Donnell, *Modernization and Bureaucratic Authoritarianism* (Berkeley, Calif.: Institute of International Studies, 1973).

⁹Dankwart A. Rustow, "Transition to Democracy: Toward a Dynamic Model," *Comparative Politics* 2, no. 3 (1970): 337-63.

By the same token, scholars have also reminded us that the study of democratic development from the perspective of political culture can lead to a simple-minded assumption that democracy is a product of culture, whereas the relationship between political culture and democracy is actually a two-way affair.¹⁰ Therefore, although it is agreed that social, economic, and cultural development has a great impact on the development of democracy, the former should not be assumed to be a precondition of the latter.¹¹

The advantage of the elite-oriented approach is that it focuses on the role of the political elite, something which is often neglected by adherents of the socioeconomic approach. The political elite is treated as an independent rather than a dependent variable. This approach is more dynamic than the socioeconomic one, although it does tend to overemphasize the subjective will and ability of the elite and to overlook the limitations it might face in the political process. Indeed, it can make democratization appear to be nothing more than the result of bargaining between different sectors of the elite.¹²

Both approaches have their weaknesses. In the case of Taiwan, for example, the socioeconomic approach provides a rather static and indirect understanding of democratization while the elite approach overlooks the enormous impact of socioeconomic factors on political development. The best course of action would be to combine the two.

Finally, the external environment has to be taken into account, because a country's domestic political development is often influenced by international political and economic changes. One case in point is that of Eastern Europe. It is generally believed that Mikhail Gorbachev's *glasnost* policy was the driving force behind the drastic political changes in Eastern Europe in the mid-1980s. Reform in the Soviet Union, the regional superpower, helped speed up the collapse of neighboring communist regimes and paved the way for democratization in those countries.¹³ Foreign forces may help clear obstacles on

¹⁰Larry Diamond, "Conclusion: Causes and Effects," in *Political Culture and Democracy in Developing Countries*, ed. Larry Diamond (Boulder, Colo.: Lynne Rienner Publishers, 1992), 423.

¹¹Terry Lynn Karl, "Dilemmas of Democratization in Latin America," *Comparative Politics* 23, no. 1 (1990): 5.

¹²Chu Yun-han, *Crafting Democracy in Taiwan* (Taipei: Institute for National Policy Research, 1992), 36-37.

¹³Tomas Niklasson, "The Soviet Union and Foreign Policy," in *Democratization in Eastern Europe: Domestic and International Perspectives*, ed. Geoffrey Pridham and Tatu Vanhanen (New York: Routledge, 1994), 216.

the path to democracy in other countries' democratization processes, by pressing undemocratic regimes to liberalize, supporting the consolidation of fledgling democracies, or countering attempts by anti-democratic forces to overthrow established democracies.¹⁴ Japan and Puerto Rico in the post-World War II period are two examples of this kind of foreign intervention.

We have to take into account all the above points of view in order to fully understand the causes and process of Taiwan's democratization. In this way, we can anticipate and resolve the problems that might arise in the period of democratic consolidation.

Democratic Consolidation

Although there is an extensive literature concerning the origins and consequences of democratization, not much research has been devoted to discussion of the final stage of democratization, that is, the establishment of a democratic regime. There have been many case studies and comparative studies focusing on the early phase of democratization, starting from the crisis within the authoritarian regime or divisions among the ruling class, dealing with the beginning of liberalization and democratization, and ending with the collapse of the authoritarian regime and the birth of the elected (democratic) government. Studies of this kind represent the mainstream of democratization studies in terms of quantity, and their content and the conclusions reached are similar. For example, it is generally agreed that the collapse of the authoritarian regime and the transition to democracy are caused by factors such as socioeconomic modernization, divisions within the ruling class, a crisis in the regime caused by external factors, or what is termed a legitimacy crisis.¹⁵ These studies have contributed a great deal to an understanding of the fundamental weakness of authoritarian regimes. However, they do not throw much light on the consolidation of the democratic regime after the collapse of authoritarianism. For the new elite in a fledgling democracy, the overthrow of the authoritarian regime is just the beginning of democratization. Thereafter, it is just as important (if not more so) to establish a new and workable democracy, which is the final goal of democratization.

¹⁴Laurence Whitehead, "International Aspects of Democratization," in O'Donnell, Schmitter, and Whitehead, *Transitions from Authoritarian Rule*, 44.

¹⁵Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, Okla.: University of Oklahoma Press, 1991).

This latter stage is democratic consolidation, or what scholars have called a "second transition."¹⁶

The division between a first and a second transition is helpful conceptually, because democratic transition is not a one-way street. On the contrary, the establishment of a democratic regime is only one of many possible outcomes. In effect, as Adam Przeworski has suggested, the process of democratic transition opens up all kinds of possibilities. The factors facilitating the initial transition are not necessarily helpful down the road. Take the legitimacy crisis for example. It prompts the authoritarian regime to grant the people more civil liberties and to gradually introduce democratization, but the result of such liberalization might not be absorbed into the new democratic regime, thus causing instability. This problem is apparent among the former Soviet republics and the countries of Eastern Europe in the post-socialist era. One of the original reasons for overthrowing the communist regimes in these countries was to replace inefficient socialist planned economies with more efficient market systems and thereby improve living standards. However, contrary to anticipations, drastic social change in these countries has often given rise to social instability and a widening gap between rich and poor. Finding their newly-established democratic governments unable to handle these problems, the people of these countries have tended to become disenchanted and to doubt the value of democracy. This has caused an enormous amount of frustration among proponents of democracy. It reveals that although the authoritarian regimes have been overthrown in these countries, what has been established in their place is not true democracy but something in between.

In other words, democracy does not necessarily follow the collapse of authoritarianism. Before the establishment of a genuine democracy, any form of nondemocratic (or nonauthoritarian) regime might emerge. From the perspective of liberalization and democratization—the two important aspects of democratic transition—the transitional government might be characterized as liberalized authoritarianism, or *dictablanda*, a system in which the powers that be allow more freedom to individuals or groups in exchange for more information and support. In this kind of system, the authoritarian structure

¹⁶Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, "Introduction," in Mainwaring, *Issues in Democratic Consolidation*, 19.

remains unchanged and the actions of the power-holders are not checked by the people through free electoral competition. Or the transitional government might be a limited democracy or *democradura*. Under such a system, although the rules of the political game have been institutionalized, the civil rights of certain individuals or groups are still restricted.¹⁷ Thus it is clear that democratic transition has a variety of outcomes and cannot be summed up by an authoritarian/democratic dichotomy.

Another problem is that it is hard to pinpoint either the beginning or the end of the process of democratic consolidation. Scholars agree that when an authoritarian regime is replaced by a democratic government, the first phase of transition to democracy is completed and democratic consolidation begins. Nevertheless, there is no consensus as to when democratic consolidation can be considered to be completed.¹⁸ To resolve this problem, perhaps the term "democratic consolidation" itself needs to be defined. The word "consolidation" usually implies stability and endurance, yet democratic consolidation does not simply refer to the stability of the democratic system. Stability and endurance of a system might derive from interaction among the political elite and have nothing to do with democracy. More importantly, democratic consolidation is not a static situation; it does not preclude certain destabilizing factors and crises, such as economic difficulties or conflicts among the elite, and these might lead to a crisis in or a complete collapse of the democratic regime.¹⁹ Rather than mere stability, democratic consolidation implies the institutionalization of a set of rules for guiding the behavior and interaction of the political actors. These rules, which may be formal or informal, must be understood and accepted by the key political actors.²⁰

¹⁷O'Donnell and Schmitter, "Transition from Authoritarian Rule," 9; Giuseppe Di Palma, *To Craft Democracies: An Essay on Democratic Transition* (Berkeley: University of California Press, 1990), 154-55; Constance Squires Meaney, "Liberalization, Democratization, and the Role of the KMT," in *Political Change in Taiwan*, ed. Tun-jen Cheng and Stephan Haggard (Boulder, Colo.: Lynne Rienner Publishers, 1992), 97-98; Philippe Schmitter, "Dangers and Dilemmas of Democracy," *Journal of Democracy* 5, no. 2 (1994): 59-60.

¹⁸Donald Share, "Transition to Democracy and Transition through Transaction," *Comparative Political Studies* 19, no. 4 (1987): 528.

¹⁹Juan J. Linz, "Crisis, Breakdown, and Re-equilibration," in *The Breakdown of Democratic Regimes*, ed. Juan J. Linz and Alfred Stepan (Baltimore: The Johns Hopkins University Press, 1978), Part I.

²⁰Guillermo O'Donnell, "Transitions, Continuities, and Paradoxes," in Mainwaring, *Issues in Democratic Consolidation*, 18.

The question that follows from this is how these democratic rules are put into practice by the political actors, and how we judge the extent of democratic consolidation. In Przeworski's view, the foremost task in democratic consolidation is to make the political actors realize that democracy is the only way to resolve conflicts and that any nondemocratic action will cause greater loss.²¹ Juan Linz further identifies the three characteristics of a consolidated democracy. First, in terms of behavior, no political actor would attempt to do anything by nondemocratic means. Second, in terms of attitude, most people in the society believe that even in a serious economic crisis, the democratic system and procedures provide the most appropriate ways of resolving conflicts. And last, in terms of the constitution, both the government and the opposition are accustomed to resolve conflicts in accordance with the law, procedures, and institutions of the new regime.²² According to both Przeworski and Linz, in a consolidated democracy, all the actors regard the rules of democracy as the only rules of the game, and it is not worthwhile for anyone to attempt to employ nondemocratic means to attain his/her ends.

Having defined what is meant by democratic consolidation, we now have to ask what conditions are favorable to such consolidation. As mentioned above, democratic consolidation is a process, not a static situation. Under the influence of different factors, it will lead either to a fully consolidated democracy or collapse of the fledgling democratic system. Some of these factors are the same as those which helped bring about the collapse of the authoritarian regime, while others only appear in the latter stage of democratic transition. Some factors might facilitate the collapse of authoritarianism and yet actually impede the establishment of an effective democratic system. In this way, consolidation often presents brand-new challenges to the democrats. In the initial stage of democratic transition, the primary goal is to overthrow the established, repressive authoritarian regime, and even though the political actors may differ in their beliefs and the strategies they would adopt to achieve democratization, they are

²¹Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (Cambridge: Cambridge University Press, 1991).

²²Juan J. Linz and Alfred Stepan, "Towards Consolidated Democracies: Five Arenas and Three Surmountable Obstacles" (Paper presented at the International Conference on Consolidating the Third Wave Democracies: Trends and Challenges, Taipei, 1995), 1-2.

still united by that single goal. In the latter stage of democratic transition, however, the common enemy—the authoritarian regime—has vanished, and differences in goals and strategies gradually surface and aggravate the conflicts of interest among the political actors. In particular, when it comes to the redistribution of power, unity in a common cause is set aside and the various actors compete to maximize their own interests.

Therefore, the political elite may not win general support in the phase of democratic consolidation by merely continuing to do what it did in the initial phase, that is, ruthlessly criticizing the incompetence of the authoritarian regime. Instead, it has to come up with concrete plans for resolving problems. In other words, the primary task in democratic consolidation is not destruction but construction. In this sense, the task is more difficult than that of overthrowing the authoritarian regime. The new democratic government must deal with problems inherited from the old regime, concerning such issues as economic development, the gap between rich and poor, inflation, and rising prices. The new government's capabilities are tested by its performance on these problems. Although these problems might have been quite serious under the old regime, people often overlook that fact and expect that things should be better under the new democratic government. If the new government is not able to resolve these problems, its legitimacy will then be questioned.

In addition, democratization is accompanied by social pluralization, and another important issue in democratic consolidation is how to establish a set of rules of the political game acceptable to all participants. These rules include the basic constitutional setup and an institutionalized system which serve as the criteria for the future distribution of power. These rules may possibly be the result of negotiation and compromise among the political elite, and in their formulation, feasibility is valued more highly than theoretical perfection. It is at this juncture that the pacts that have been formed among the political actors face a real test. As Linz has suggested, all political actors must agree never to employ self-serving strategies that might lead to the restoration of the authoritarian regime. Only when there is such a consensus can a proper democratic system be established and put into operation. It is the political actors' commitment to democracy that determines the outcome of democratic consolidation. Successful consolidation is ensured if the political actors (particularly those with authoritarian inclinations) are willing to accept the new political design even when they foresee short-term damage to their

own interests, as they know that this loss can be made up in the future.²³

Finally, swift progress in democratic consolidation requires a favorable external environment. This may be a global economic boom, international financial aid and open markets, an absence of serious wars or other conflicts, or support for democracy from a powerful ally. Certainly, if the international climate is harsh, democratic consolidation will be exceptionally difficult.

Variables of Democratic Consolidation in Taiwan

Socioeconomic Change

In the Russian parliamentary elections of December 1995, reformist allies of President Boris Yeltsin lost to leftist former communists whose support came mostly from pensioners feeling the pinch under the market-oriented reforms. Although this result might not produce a "red" restoration, given that Yeltsin still controls the presidency,²⁴ it has definitely added a new element of uncertainty to the country's democratization. The democrats lost not because the communists had proposed more effective plans for economic reform, but because social disorder, pay cuts, and inflation had caused many people to lose faith in the new government's economic policies and its ability to run the country. They did not expect the fruits of democratic reform to be so bitter.

Unlike Russia, Taiwan has always been regarded as a typical case of democratization growing out of socioeconomic development.²⁵ Even though socioeconomic factors do not fully account for Taiwan's democratic transition, they have at least provided favorable conditions for democratization, and overall economic growth has not been affected by the rapid political and social change.²⁶

Nevertheless, the new democratic government, just like its authoritarian predecessor, is burdened with numerous socioeconomic

²³O'Donnell, "Transitions, Continuities, and Paradoxes," 18-24.

²⁴*Lianhe bao* (United Daily News) (Taipei), December 19, 1995, 3.

²⁵Lucian W. Pye, *Asian Power and Politics: The Cultural Dimensions of Authority* (Cambridge, Mass.: Harvard University Press, 1985), 233.

²⁶According to official statistics, the growth rate was 7.1 percent in 1980, 5.6 percent in 1985, 5.0 percent in 1990, and 6.0 percent in 1992. See *Taiwan Statistical Data Book 1993* (Taipei: Council for Economic Planning and Development, 1993), 1.

problems. The government tries to promote further political reform while at the same time preventing socioeconomic development from getting out of control. Still, the government faces an even greater challenge in that it has to deal with the policy demands of the numerous new social organizations.

According to a survey conducted by Chu Yun-peng, between 1990 and 1994 people in Taiwan became slightly less satisfied with their economic situation. Over this period, people also began to feel that the government should shift its economic policy priorities from economic growth to the distribution of wealth, and should do something about the widening gap between rich and poor. The survey also found that quite a large proportion of respondents linked this gap to such problems as bureaucratic corruption and an unfair system of taxation. Perceptions such as these could easily affect democratic consolidation if the government does not adopt effective policies to deal with them.²⁷ People in Taiwan are no longer satisfied with economic growth alone. They are shifting their attention to other issues and it is these issues that pose a challenge to the government in the process of democratization.

Similar trends have emerged in other surveys. For example, it was found that between 1992 and 1994 people's satisfaction declined with regard to such matters as work, education, the judicial system, medical care, welfare, and law and order, with the majority of respondents saying they were "dissatisfied" or "very dissatisfied" on all of these points.²⁸ There is also evidence that people became more dissatisfied with the government's overall political performance between 1990 and 1994. On issues such as policy implementation, the operation of the political system, and the performance of officials and elected representatives, most responses ranged between "so-so" and "dissatisfied." In particular, 1994 saw a steeper decline in people's satisfaction with the government's political performance. This increase in dissatisfaction reflected the government's poor performance in handling certain important political issues.²⁹

²⁷Chu Yun-peng, *Taiwan diqu yijiujisi nian jingji manyidu minyi diaocha fenxi baogao fenpei bufen* (Report on survey of economic satisfaction in Taiwan, 1994, distribution section) (Taipei: 21st Century Foundation, 1995), 35.

²⁸Hsu Huo-yen, *Taiwan diqu yijiujisi nian zhengzhi manyidu minyi diaocha fenxi baogao zonglun* (Report on survey of political satisfaction in Taiwan, 1994, introduction) (Taipei: 21st Century Foundation, 1995), 10.

²⁹Chou Tien-cheng, *Taiwan diqu yijiujisi nian shehui manyidu minyi diaocha fenxi*

Despite the fact that there have not been any dramatic deterioration in overall economic, political, and social conditions in Taiwan during the course of democratic consolidation, the general public has still grown more dissatisfied. This dissatisfaction has not yet reached a level at which people might take drastic measures, but it has been reflected at the ballot box. So although the KMT government takes pride in the way it has promoted the cause of democratization in Taiwan, support for the party has steadily declined. The KMT no longer has an absolute majority in the Legislative Yuan, and in the December 1995 elections, it barely managed to scrape by with a simple majority over the opposition parties. Among the many reasons for this decline in support for the ruling party, the most decisive ones are its perceived inability to effectively promote public policies and its entanglement with criminal gangs and big business.

Another issue that has become more salient is the impact of ethnicity on democratization. Ethnic problems in Taiwan are the product of certain historical events and political maneuvering, including the island-wide revolt against KMT rule in 1947 and its subsequent bloody suppression, known as the February 28 Incident, and the KMT's rivalry with the Chinese Communist Party (CCP) and its claim to be the legitimate ruler of the whole of China. However, prior to democratization, ethnicity was not a salient issue. It was not until the late 1970s that non-KMT (*dangwai*) forces started to protest the mainlanders' monopoly of political resources and highlight the ethnic inequality of the overall political structure. They also urged President Chiang Ching-kuo to adopt a policy of "Taiwanization," which allowed more Taiwanese to participate in the decisionmaking process at a higher level than before. While Chiang's policy helped relieve ethnic pressures, it also underlined the growing importance of the issue.

In the 1980s, as the political system became more liberal, ethnicity was no longer a taboo subject. Individual politicians and political groups began to recognize the significance of the issue and its appeal in political competition, and the opposition adopted such slogans as "Taiwanese to the fore." Scholars started to engage in a systematic study of the subject, some of them examining democratization from the point of view of Taiwanese nationalism. The opposition's appeal

baogao zonglun (Report on survey of social satisfaction in Taiwan, 1994, introduction) (Taipei: 21st Century Foundation, 1995), 1.

is not meant to imply that mainlanders should be excluded from the political process; they simply meant that Taiwanese should play a more important role on the political stage, and that the mainlander minority should no longer be able to fix the system to protect its own interests, but would have to compete with the majority Taiwanese on an equal footing. The mainlanders, realizing that they were outnumbered by the indigenous Taiwanese, foresaw that democratization would result in the loss of their vested interests. This situation has created marked differences between the two ethnic groups with regard to their expectations of democratization and added a new variable to the democratization process. Still, some politicians have taken advantage of these differences to serve their own political interests. As a result, ethnicity, which had never been an issue in large-scale political mobilization, is now the cause of fierce conflict on such important issues as national identity.³⁰ At the present stage of democratic consolidation, Taiwan urgently needs to forge a consensus on the future of the country. Too much emphasis on ethnic differences will have a negative impact on democratization.

Key Political Actors

The ruling KMT. The KMT has often been characterized by scholars as a quasi-Leninist party.³¹ According to this point of view, the KMT has dominated the political system and used its control of the state bureaucracy to ensure that its policies are implemented. The party has also cultivated, controlled, and mobilized the various interest groups in society under a system of "state corporatism." However, with democratization, the KMT has gradually been transformed, either voluntarily or involuntarily, in the party's relationship with both the state and society—that is, the separation of the party from the state (through the development of a neutral bureaucracy and military) and the redistribution of social resources (in areas such as the electronic media, state funding for political parties, and KMT-owned businesses).³²

³⁰Wu Nai-te, "Provincial Consciousness, Political Support, and National Identity: A Preliminary Discussion of Ethnic Politics in Taiwan," in *Zuqun guanxi yu guojia rentong* (Interethnic relations and national identity), by Chang Mau-kuei et al. (Taipei: Yeqiang chubanshe, 1993), 27-52.

³¹Tun-jen Cheng, "Democratizing the Quasi-Leninist Regime in Taiwan," *World Politics* 6 (1989): 471-99.

³²Chu Yun-han, "Organization and Power Allocation within the KMT" (Paper presented at the conference "Transcend and Reconstruct: Toward a New Era for the ROC," sponsored by *Zhongguo shibao*, Taipei, 1992).

On the issue of party-state relations, the KMT attracted fierce criticism for its domination of the bureaucracy and the military. The existence of a parallel party organization throughout the government bureaucracy enabled the KMT to exert a great deal of influence over the administration, if not to dominate it completely. The KMT has also maintained a strong hold over the military through its political warfare system. Most high-ranking officers are KMT members, and some even hold important party posts. In these circumstances, it is arguable whether the military would pledge loyalty to a future non-KMT government.

The KMT has been criticized for using state corporatist methods to cultivate various functional groups within society for the purpose of mobilizing them on its own behalf. It has also monopolized most social resources in order to serve its own political and economic interests, chiefly through KMT-owned businesses.³³ This situation has made it very difficult for opposition forces to compete with the KMT on an equal footing, and it will have to change if democracy in Taiwan is to be consolidated. But the KMT is unlikely to give up its privileges easily as they provide an important foundation for its regime.

Also, the KMT's reluctance to relinquish its privileged position has been apparent in the constitutional reform process. In particular, the ruling party has tried to avoid a clear definition of the respective powers and duties of the president and the premier. This could cause big problems in the event of a political stalemate. Under Taiwan's quasi dual-leadership system, if the presidency and the Legislative Yuan are controlled by two different parties, the leadership would no longer be accountable to the legislature, as it should be in a democracy. The system also lacks an effective means for resolving a conflict between the directly elected president and the parliament, such as occurred in the United States in October 1995. In a political struggle of this kind, the biggest victims would be the general public.

In Taiwan, such a conflict between the administrative branch and the legislature has yet to occur, chiefly because the KMT has always been able to control the Legislative Yuan. However, with electoral support for the party slipping and party discipline among KMT legislators growing more lax, the KMT could find it more difficult

³³Chen Shih-meng et al., *Jiegou dangguo zibenzhuyi (Disintegrating KMT-state capitalism)* (Taipei: Zili wanbao chubanshe, 1991).

in the future to maintain this control. As the constitution stands at the moment, if different parties controlled the legislature and the presidency, power struggle would take precedence over policies, and the democratization process would thus be hampered.

The Opposition. Undeniably, the establishment of Taiwan's first opposition party, the Democratic Progressive Party (DPP), in 1986 was a milestone in the democratization process. At last, the KMT's monopoly of social resources had encountered a challenge and the electorate was presented with a genuine alternative. The appearance of the DPP forced the KMT to adopt more reform measures, such as the lifting of martial law in 1987 and the ending of restrictions on the press in 1988. From then on, the government introduced various items of legislation aimed at clearing away the remnants of authoritarianism, such as the Law on Assembly and Parades of 1988, the revised Election and Recall Law and the Law on the Organization of Civic Groups of 1989, and the Law on Voluntary Retirement of Senior Parliamentarians of 1990. In 1991, the Period of General Mobilization for the Suppression of Communist Rebellion was ended and the temporary constitutional provisions in force during that period were rescinded, and in the following year, Article 100 of the Criminal Code, dealing with traitorous conduct, was revised. In 1993, the University Law was revised.

Although the establishment of the DPP facilitated Taiwan's democratization, it did not guarantee that democratization would take root. Democratic consolidation depends not only on a healthy party system but also on a cordial atmosphere of competition between parties in which each has the chance to win (or to lose) under mutually-agreed rules. In other words, any political party should be ready to take office (or to step down) at any time. The opposition parties, both the ten-year-old DPP and the novice New Party (NP), must present themselves as an alternative government with alternative policies, besides acting as an effective check on the ruling KMT. This is particularly true for the DPP. Unfortunately for most of the people, the DPP is still an opposition party rather than a potential ruling party. According to one survey conducted in 1993, the DPP is perceived as more "radical" or even "violent" than the KMT, and the younger the respondents were, the more likely they were to hold that perception.³⁴

³⁴Liu I-chou, "Generational Divergence in Party Image Among Taiwan Electorate," *Issues & Studies* 31, no. 2 (February 1995): 87.

If the DPP cannot improve its public image, it could prove to be an obstacle on the road to power.³⁵

Apart from correcting its negative radical or violent image, the DPP also faces the tough question of how to handle the Taiwan independence issue. The DPP has long been associated with support for independence and in the National Assembly elections of 1991, the DPP included an "independence clause" in its political platform. However, the DPP did not reap any immediate benefit from identifying itself with independence, as its poor showing in that election was attributed by observers to its pro-independence stance. There were, of course, other reasons for the result, but reaction to the pro-independence platform did give the DPP pause for thought. Public opinion polls repeatedly demonstrate that support for a declaration of independence from China hovers at around 10 to 15 percent of the electorate, while quite a high percentage of voters favor maintenance of the status quo. The DPP will have to take these opinions into consideration with regard to its pro-independence clause.

However, if the DPP does indeed wish to tone down its pro-independence stance, it will likely encounter opposition from firm supporters of Taiwan independence within the party. Talk of forming a coalition cabinet with the KMT or forging an alliance with the NP has already caused disputes within the party before and after the Legislative Yuan elections of December 1995. That such moves were considered is evidence that some elements in the DPP are ready to set historical grievances aside and prepare for government, and since the DPP does not have a majority in the legislature, that means cooperating with another party. Such moves would really have benefitted the development of democracy in Taiwan, but they were not to be. For one thing, there was a danger that any compromise with other parties would have prompted died-in-the-wool independence activists to leave the party.³⁶ The strongly pro-unification NP would also have faced the same kind of problem if it had teamed up with the DPP.

The unification/independence dispute between the two major opposition parties also signals trouble for democratic consolidation in Taiwan. Rustow has pointed out that a unified country is the most

³⁵ *Zhongguo shibao* (China Times) (Taipei), December 12, 1995, 2.

³⁶ Chen Fang-min, "Coalition Cabinet Might Cause Division Within the DPP," *Zhongguo shibao*, December 7, 1995, 11.

important “background condition” for democratization.³⁷ Regardless of whether he was referring to geographical unity or a sense of unity among political actors, this question has remained unresolved throughout Taiwan’s democratic transition. The uneven progress of democratization in Taiwan, in which the various phases of democratization have overlapped and merged with one another, indicates that the unification/independence issue is a decisive element in the process.

In essence, the unification/independence issue is not simply a policy preference but a matter of national identity, and if it is not resolved, the operation of the entire political system will reach an impasse. Democracy in Taiwan will always be overshadowed by this danger. With such a division between the two opposition parties, members of the political elite will have their work cut out seeking common ground and reducing the uncertainties surrounding democratization in Taiwan.

The External Environment

The United States is one of the two main outside forces affecting the consolidation of democracy in Taiwan. Since the end of World War II, the United States has been closely involved with Taiwan’s political development, playing an important role in both the establishment of the KMT’s authoritarian regime and the later democratization process.³⁸ In the early postwar years, global strategic interests prompted Washington to assist the KMT regime in its struggle with the Chinese Communists, and U.S. assistance helped stave off the threat of “liberation” by Beijing. However, despite the fact that the United States prides itself on being a champion of democracy, U.S. relations with Taiwan at this time were mostly based on strategic concerns. Therefore, the Americans, although they occasionally voiced criticism of the KMT’s authoritarian methods, largely ignored the domestic political situation in Taiwan and continued to support Taipei internationally.

However, after the Sino-Soviet dispute grew more fierce in the 1970s, U.S. leaders began to think of changing their strategy and

³⁷Rustow, “Transition to Democracy,” 350-61.

³⁸Yu Ching-hsin, “From Authoritarianism to Democracy: A Study of Taiwan’s Democratization” (Ph.D. dissertation, Pennsylvania State University, 1995), chap. 4.

using Beijing to check Moscow. That was when Taiwan's strategic importance to the United States began to decline. After derecognition in 1979, Taipei-Washington relations reached rock bottom. Although the Carter administration espoused democracy and human rights as part of its foreign policy, they were not mandatory.³⁹ Taiwan even at that time seemed to have much more potential for democratization, but it was clearly much less strategically important than China for the United States.

However, U.S. foreign policy concerns with regard to Taiwan and the PRC changed once again in the late 1980s, with the end of the Cold War and the collapse of the Soviet Union. Responding to regional conflicts is now the issue at the head of Washington's global agenda, and Taiwan has gained more importance as potential conflicts in areas such as the Taiwan Strait, the Philippines, the South China Sea, and Cambodia threaten U.S. interests.⁴⁰ No less important is the growing power of Beijing which is causing a certain amount of fear and great concern among its neighbors, including the United States. The importance of maintaining a close and friendly strategic relationship with Taiwan, even on a nonofficial basis, is particularly important for the United States now that it has withdrawn its troops from the Philippines.

Finally, a democratic and economically liberal Taiwan serves the overall interests of the United States. Politically, Taiwan's democratization is in line with U.S. political tradition, which emphasizes human rights and liberty. In contrast to the Beijing regime, which massacred students at Tiananmen Square in 1989, Taiwan's democratization measures earned it the support of both political parties in the United States. In the economic sphere, in addition to its arms purchases, Taiwan has gradually opened up its finance and service sectors, lowered tariffs, and introduced measures to encourage foreign investment. All this is in line with U.S. free trade policy.

The other outside force that exerts an impact on the consolidation of democracy is the PRC. For many years, the military threat from the Chinese mainland has shaped Taiwan's political development. In the early years, it provided the KMT with a justification for

³⁹Jeanne M. Kirkpatrick, "Dictatorships and Double Standards," *Commentary*, no. 68 (1979): 34-68.

⁴⁰Martin L. Lasater, "U.S. Interests in the New Taiwan," *Orbis* 37 (Spring 1993): 239-57.

authoritarian rule. But as the indigenous elite have become more and more prominent in the party, the KMT has concentrated its attentions on domestic affairs while often paying no more than lip service to reunification. In contrast to the previous generation of KMT leaders, the younger elite are aware of the existence of a strong China, yet they also realize that the people of Taiwan have reservations about reunification. As for the attitude of the PRC itself, it is not happy to see democratization developing in Taiwan, and it is trying its best to press Taiwan into reunification negotiations on its own terms. This provides another element of uncertainty in the future of democratization.

Growing economic and trade ties across the Taiwan Strait are also exerting an increasing influence on Taiwan's democratization. After the ban on people-to-people and business contacts was lifted, cross-Strait interaction began expanding at a rate far beyond the government's expectations and in ways quite beyond government control, thus exerting pressure on Taipei. With the Chinese government offering favorable terms to investors, mainland China presented an irresistible attraction for Taiwan businesses which were already experiencing a decline in profits on account of rising environmental awareness and other factors at home. The mainland was also attractive in terms of language and culture. Therefore, Taiwan enterprises are increasingly looking to mainland China, whether as a source of raw materials, a market, or a location for production.

Cross-Strait trade, though still conducted through a third country, has increased dramatically. According to official statistics, the value of indirect two-way trade increased from US\$70 million in 1979 to US\$7 billion in 1992 while mainland China's exports to Taiwan increased from US\$70 million in 1980 to US\$1 billion in 1992.⁴¹ One point worthy of note is that Taiwan has a large trade surplus with mainland China that has been growing rapidly since 1990.⁴² Indeed, Taiwan's dependence on the mainland—the ratio of its exports to the mainland to its total exports—increased from 0.13 percent in 1979 to

⁴¹An-chia Wu, "Taipei-Peking Relations: The Sovereignty Issue," in *Contemporary China and the Changing International Community*, ed. Lin Bih-jaw (Taipei: Institute of International Relations, 1993), 191.

⁴²Ma Ying-jeou, "Policy Towards the Chinese Mainland: Taipei's View," in *In the Shadow of China: Political Development in Taiwan Since 1949*, ed. Steve Tsang (Honolulu: University of Hawaii Press, 1993), 209.

3.21 percent in 1985 and to 7.72 percent in 1992.⁴³

Economic and trade relations across the Strait are to some extent reciprocal, but Taipei and Beijing have some tough political problems to solve. Entering the Chinese market might help Taiwan solve its immediate economic difficulties, but it is not risk-free. It is clear that the Chinese are not only motivated by economic considerations when they offer favorable terms to Taiwan investors, because most of the Taiwan businesses that have transferred their operations to the mainland tend to be engaged in environmentally hazardous, comparatively unprofitable "sunset" industries.⁴⁴ As Yang Shangkun, the then president of the PRC, said in a speech in 1990, the development of economic and trade links with Taiwan serves "the political task of promoting peaceful unification."⁴⁵ In the future, as the Taiwan business community's dependence on the mainland for markets and manpower increases, Taipei will be forced to take its businessmen's interests into consideration in its dealings with Beijing, thus giving Beijing the upper hand in negotiations. In these circumstances, Taiwan's achievements in democratization will come under threat.

Conclusion

In Taiwan, some political observers and the ruling party itself often describe Taiwan's democratization as a "quiet revolution." Indeed, the process of democratic transition has not caused any serious disruption in society or the economy, and it seems unlikely that authoritarianism will be restored during the democratic consolidation period. However, democratic consolidation is far from complete, and it is likely to be influenced by both favorable and unfavorable factors. There is widespread dissatisfaction with economic, social, and general political life. In particular, demands concerning the distribution of wealth and welfare policy involve not simply dissatisfaction with the effectiveness of government policy but a more fundamental

⁴³Kao Charng, *Zhongguo dalu jingji gaige yu liang'an jingmao guanxi* (Mainland China's economic reform and cross-Strait economic and trade relations) (Taipei: Wunan chubanshe, 1994), 248-49.

⁴⁴Ministry of Justice, Investigation Bureau, *Guoren fu dalu touzi de qiji yu fengxian* (Opportunities and risks faced by Taiwanese investing in mainland China) (Taipei: Rongmin yinzhichang, 1994), 69.

⁴⁵Kuo Li-min, ed., *Zhonggong dui-Tai zhengce ziliao xuanji* (Selected materials on the PRC's Taiwan policy) (Taipei: Yongye chubanshe, 1992), 1143.

change in people's expectations of what the government should do. People's attitudes on such basic political issues as national unification are generally middle-of-the-road (that is to say, they prefer the status quo), but this particular issue is often a focus of debate at election time. The most worrying aspect of this is that the opinions of people at the two extremes (pro-independence and pro-unification) are growing wider apart. If the two groups cannot find common ground, they are not going to reach a consensus on democratic consolidation.

In addition, there are two major obstacles or threats to democratic consolidation in Taiwan. One is the PRC and the other is the danger that the mechanisms for resolving the conflicts of interest that arise during the democratization process will not be accepted or applied by the political actors. Handling these obstacles will require a great deal of political skill. No matter which political party is in power in the future, it will have to deal with both cross-Strait relations and the further development of democracy in Taiwan. With regard to the latter, the most urgent task is to decide on the constitutional setup and set aside ideological struggle and zero-sum competition in order to maintain the operation of the new democratic system. Although the electoral system has been in place for a long time and its mechanisms and their outcomes are generally accepted by the political actors and the general public, there has never been a peaceful transfer of power in Taiwan, and this aspect of democratization will need to be studied carefully. Also, there are still some uncertainties concerning constitutional reform. The consolidation of democracy in Taiwan will take some time, and it will by no means be easier than the overthrow of the authoritarian regime.