Forum

A Review of Taiwan's Past and an Assessment for Its Future: A Personal Observation*

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Taiwan's development since 1949 may be divided roughly into three phases. In the first phase, from 1949 to the 1960s, Taiwan was characterized as a bastion of anticommunism. Its fulfillment of this role reached its apex in 1958 with the Chinese bombardment of Kinmen (Quemoy) and Matsu, during which the U.S. Seventh Fleet was sent to the area to protect the security of the offshore islands. The upshot of this was the joint communiqué signed by President Chiang Kai-shek and U.S. Secretary of State John Foster Dulles, in which Taipei pledged to seek the future reunification of China mainly through political means rather than by force. As I see it, that event effectively closed the "military" chapter of Taiwan's postwar history.

The theme running through the second phase, from the 1960s through the 1980s, was rapid economic growth. Many of these years achieved a double-digit growth rate—the so-called "economic miracle." As Taiwan entered the 1980s, the government's control of political, economic, and social development was at its height. The economy was in excellent shape, having survived two oil crises in the 1970s;

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politically, the country had lived through the loss of its seat in the United Nations in 1971 and derecognition by the United States in 1979. But although the ruling party—the Kuomintang (KMT, Nationalist Party of China)—held Taiwan on a tight rein, strong currents of political, social, and cultural unrest were beginning to develop and other forces for change were taking shape. The most important of these was the emergence of a solid middle class which was a product of the economic miracle and its demands for a greater voice in public affairs. As early as the 1970s, dissatisfaction with the KMT-dominated status quo had its cultural manifestation in the debate between champions of "nativist" literature, reflecting life in Taiwan and the aspirations of native Taiwanese, and advocates of more traditional, mainland Chinese-oriented writing. In September 1986, the opposition, which had been gradually gaining momentum for more than a decade, formed a political party in defiance of the law. The new opposition party, the Democratic Progressive Party (DPP), demanded independence for Taiwan, a redistribution of political, economic, and social power, a readjustment in the relationship between rulers and ruled, and greater social justice in the economic sector.

At this juncture, President Chiang Ching-kuo made four major decisions of a historic and revolutionary nature which took Taiwan into the third phase of its history, the phase of democratization. Chiang's first momentous decision was to tolerate the existence of the DPP, despite the fact that it had been founded in defiance of the ban on the formation of new political parties. In July 1987, Chiang then lifted martial law, and in November that year, the ban on travel to the mainland was revoked. Finally, in January 1988, just two weeks before Chiang's death, restrictions on the press were removed; it became possible for new newspapers to be founded and for existing papers to expand in size. Chiang's first decision made party politics a reality in Taiwan, the second decision brought about an all-around liberalization of all aspects of society, the third decision opened up people-to-people relations with mainland China, and the fourth made freedom of speech possible. These decisions were indeed a brilliant political stroke on Chiang Ching-kuo's part. He opened the safety valve just in time, so to speak, letting steam out of the system yet keeping the main body of the state intact. If these actions had not been taken when they were, government and opposition forces would have come to a head-on clash. Thanks to Chiang's political wisdom, this clash was averted.

President Lee Teng-hui assumed the presidency on January 13, 1988, and has now been in power for over eight and a half years, during which time he has made a number of decisions of crucial importance to Taiwan's political development. First, Lee was instrumental in obtaining the retirement of the senior (and some of them senile) parliamentarians who had been frozen in office since their election on the mainland in the late 1940s. This move ensured that members of the legislature and the National Assembly would all be elected by the people of Taiwan. With the direct elections of the provincial governor and mayors of Taipei and Kaohsiung municipalities two years ago, all heads of governments at various levels and members of all representative bodies are now directly elected by the people. Then in May 1991, Lee announced the end of the "period of mobilization against communist rebellion," the significance of which was that mainland China would no longer be treated by Taipei as a hostile region. This move, together with the promulgation of the "Guidelines for National Unification" in February 1991 and the establishment one month earlier of the Mainland Affairs Council under the Executive Yuan, formally established a mechanism for peaceful and mutually beneficial relations across the Taiwan Strait. Another decision of critical importance that can be attributed to Lee was the adoption of the "pragmatic diplomacy" policy. This has often taken the form of "leaders' diplomacy," or official or unofficial visits to foreign countries by Lee or Vice President Lien Chan. Lee himself has been to Southeast Asia, Latin America, and the Middle East, and of course last year he made his famous trip to his alma mater, Cornell University, in the United States. The last piece of Taiwan's "democratization jigsaw" was put into place in March this year with the direct popular election of the president. All these achievements have been credited to Lee Teng-hui, who has been dubbed "Mr. Democracy" by *Newsweek*. *Time* magazine, in its April 1 issue, remarked that Lee's election victory and its impact on the situation between the two sides of the Taiwan Strait was "a transforming moment: it may not have changed the strategic reality, but it altered forever the moral balance of power." This brings us back to the months preceding the election when, in the midst of its achievements, Taiwan became the target both of Beijing's acid tongue and its armed intimidation. At the time of the presidential election, Taiwan was the center of world attention, with more than seven hundred journalists from around the world on the island covering the election, and two U.S. aircraft carriers and their battle groups standing in the open

seas to protect Taiwan from the PRC's heightened military threat. Currently, relations across the Taiwan Strait are in stalemate and U.S.-PRC relations are in need of repair and restoration.

Having looked back at how Taiwan has come to where it is now, I shall now look forward and try to map out Taiwan's future landscape. I believe Taiwan's future will be affected by a number of factors in three dimensions: domestic developments, international relations, and mainland China.

In the domestic dimension, the first factor that will affect Taiwan's development is its future economic growth. For the past four years, Taiwan has been able to maintain a growth rate of between six and seven percent. The island's sunset industries have found a second lease of life in the mainland market and also found outlets by investing heavily in Southeast Asia. The domestic economic structure is being successfully upgraded and there has been a greater move toward service sector development. Taiwan's general economic health is good, and as long as growth can be maintained, the economy is one sector that can be counted on as a positive force in national development.

Another factor is political leadership. While certain of President Lee Teng-hui's policies and political behavior have aroused controversy or disagreement in some quarters, his single-minded dedication to such issues as political democratization, the development of community consciousness, and the reform of education, the judiciary, and the bureaucracy will certainly help nurture a more open, viable, and dynamic political culture and social development in Taiwan.

There is then the factor of Taiwan's enormous freedom of expression, as it now has several scores of newspapers, with a combined circulation of roughly five million copies—that means one copy for every four citizens. The electronic media are also experiencing phenomenal expansion. In addition to the three wireless TV networks, there are scores of cable networks around the island. The people of Taiwan are hence being inundated with information in both printed and electronic forms, making them surely one of the best-informed communities in the world. Nowadays, there is nothing under the sun that cannot be debated in the media, and a well-informed citizenry is known to be the best guarantee for democracy and national well-being.

The party politics factor is also of crucial importance. Taiwan now has three major parties. Taking the recent presidential and National Assembly elections as an example, the ruling KMT captured

54 percent of the vote in the presidential election and 49 percent in the National Assembly race; the DPP captured 21 and 29 percent, respectively; and the three-year-old New Party won 15 and nearly 14 percent, respectively. These percentages will of course vary somewhat in future elections, but they do reflect each party's current power base. The rise of the New Party, in particular, shows that Taiwan's political culture is open and very dynamic; disagreements over policies, or even ideologies or philosophies, can be freely expressed. It is now impossible to engage in political oppression or stifle dissent. I would thus define Taiwan's political culture as very healthy and mature.

A vital underlying factor in Taiwan's development is the substance of education. Education in Taiwan, especially higher education, has been most strongly influenced by Western (particularly the U.S.) systems. While the political philosophy of the ruling party is partially based on a form of socialism, it is heavily influenced by U.S.-style democracy. Also, as ties with Europe have increased, European ways of thinking have made an impact on Taiwan. The overall effect of these influences has been to produce an education system that is pro-Western, pro-democratic, and pro-capitalist, but still very much Chinese in spirit. This serves as a healthy foundation for Taiwan's future development.

I have listed most of the positive domestic factors, but we should not forget that there are also some negative factors influencing Taiwan's development. Two of the most serious are underworld influence, especially in elections, and collusion between big business and the bureaucracy. There is an element of Tammany Hall and the Mafia, Taiwan-style, in Taiwan's politics. However, I believe that these negative factors are outweighed by the positive ones I listed earlier. Taiwan's democracy will by no means be perfect—what democracy is?—but as current parlance in Taiwan has it, "You may not be satisfied, but you can put up with it."

In the international dimension, a factor with an important impact on Taiwan's development is foreign trade and investment. Taiwan ranks nineteenth in the world in terms of gross national product (GNP), is the world's fourteenth largest trading economy, with a total trade volume last year of US$215 billion, and is the seventh largest foreign investor. Taiwan is, therefore, a very viable and growing trading power. And money not only talks, it also engenders connections and friendships, so Taiwan is bound to have more friends and supporters in the international community in the years to come.

A factor that has recently come to prominence is growing support for Taiwan in the international media. In the 1950s and 1960s, Taiwan was usually characterized as a right-wing military dictatorship, or at the very least, as a conservative authoritarian regime. But since the lifting of martial law in 1987, Taiwan's media image has steadily improved, so much so that one can almost say that over the last year it has become the darling of the international media. Prior to President Lee's visit to Cornell in June 1995, both the *New York Times* and the *Washington Post* expressed editorial support for the visit in almost identical words. This past March, about seven hundred journalists descended on Taiwan for the presidential election, as the last leg of Taiwan's march toward democracy was accorded almost universal praise and sympathy in the international media while the PRC's saber-rattling was flatly condemned. As Taiwan becomes even more democratic and free in the future, the continued support of the media may be counted upon.

Another important factor is that the Republic of China on Taiwan has finally been welcomed into the democratic club. For the first time in five thousand years of history, a Chinese society has elected its own head of state. One distinct characteristic of the democratic club is that it has a strong esprit de corps—its members do not stand idly by while one of their fellows is swallowed up by an outsider. There is much evidence in postwar history to support this assertion. As former U.S. CIA director Mr. James Woolsey remarked during his recent visit to Taiwan, the other democracies will not let Taiwan be eaten up by a communist state.

Of great importance to future development in Taiwan is the government's strategy for continued growth. Two years ago, the ROC government formally announced its plan to transform Taiwan into an Asia-Pacific Regional Operations Center (APROC). This plan embraces six areas: sea transportation, air transportation, finance, the media, manufacturing, and telecommunications. People have cast doubts on the feasibility of this ambitious scheme, but I think that although the goals may not be achieved in their entirety, if Taiwan even gets half-way there, it will become more internationalized and attractive for foreign investment. Since the APROC plan will open the door to new concepts, new ways of thinking, and new technologies, it can greatly contribute to Taiwan's future development.

A very important factor in Taiwan's political future is the consensus that has been formed among democracies, especially the United States, that the Taiwan question must be resolved peacefully. What

this means is that although the international community does not necessarily challenge the PRC's claim that the Taiwan question is an internal affair, it also will not permit Taiwan to be absorbed by mainland China using naked force. If the PRC tries to do so, it will have to pay a heavy price, and even then it may not succeed.

Because of the factors listed above, Taiwan has become even more firmly entrenched in the mainstream of international life. It is already widely respected, and the more internationalized it becomes, the more that respect will grow and serve as a guarantee for future development. Having said this, I hasten to add that I do not mean that Taiwan will gain more formal diplomatic recognition or that it will return to the United Nations. These goals cannot be easily fulfilled on account of Beijing's attitudes.

In the third dimension, the mainland China dimension, one important factor influencing Taiwan's political development is the issue of Taiwan independence. I can certainly discern a consciousness of Taiwan as an independent entity and of Taiwanese as an autonomous ethnic group, and this has grown out of Taiwan's unique amalgam of mainland Chinese culture, the island's oceanic culture, and adopted elements of international culture. But this Taiwanese consciousness does not necessarily lead to a demand for political independence in the sense of a separate Taiwanese state. I think that the relatively poor showing of the strongly pro-independence DPP candidate in the March presidential election is an indication that independence in the political sense is losing ground, especially in the face of Beijing's military threat. Another reason why pro-independence sentiment will likely recede in the future is Taiwan's growing economic ties with the mainland. We have to remember that most of the people doing business with the PRC are Taiwanese, the traditional supporters of independence. Thus I think that the PRC is really attacking a spent force when it accuses Taiwan of pursuing independence.

Another factor in the mainland dimension is Taiwan's diplomatic activities. Taiwan has formal diplomatic relations with no more than thirty nations, and although there may still be some room for expansion here, it is limited. Reentry into the United Nations is also an objective that will not be realized for many years to come. The PRC's violent reaction to President Lee's visit to Cornell and its military actions last summer and this spring have had a sobering effect on both sides. I think that as a result of these diplomatic skirmishes, the two sides understand just how far they can go without their actions backfiring. They know the limits, and it will not be

long before the rules of the diplomatic game are worked out and at least tacitly accepted.

Another factor is the military situation across the Taiwan Strait. I think that the recent Taiwan Strait crisis has taught both sides a good lesson. In Taiwan, the stock exchange lost around one-third of its value between July 1995 and March 1996 and foreign exchange reserves went down by 15 percent. The mainland suffered a stunning humiliation in the face of the largest show of U.S. military strength in the region since the end of the Vietnam War. Beijing has learned that military threats can be a double-edged sword, especially at a time when mainland China is in the midst of economic reform and development. Consequently, from now on, Beijing will be careful to do less saber-rattling, and Taiwan will be more careful about provoking the other side of the Strait.

Domestic developments in mainland China are also likely to have an impact on Taiwan's future. In my view, the PRC's future is contingent on a race between positive and negative development forces. One positive element is its economic success, thanks to its government's encouragement of foreign investment and effective mobilization of human and natural resources. Another positive factor is that, having been poor for so long, the people of mainland China are now presented with the prospect of growing prosperity. This means that, as the saying goes, "money is everything" on the mainland—which admittedly has its disadvantages—but the economic incentive is indeed a powerful force for progress. The 50 million overseas Chinese provide another powerful positive element in mainland China's development. Many of them are investing in the PRC or helping its development in other ways, and in some respects they serve the same function to the mainland as the Jewish diaspora does to Israel—this is an advantage that the new democracies of Eastern Europe and the former Soviet Union do not have, or at least to a large extent. Another important plus for the PRC is that the international community simply cannot afford having China go down the tubes, with all the attendant horrible consequences.

As for the negative elements in China's development, I would give first place to rampant corruption and the resulting lack of faith, political or otherwise, and the weakening of not only law and order but also social ethics. Other factors on the negative side include the wide gap in development between the coastal provinces and the hinterland, the worsening environment (a growing population that has to be fed off a diminishing acreage of arable land, desertification,

and deforestation), a poor education system, the flight of surplus labor from the countryside to the cities, and the ever-present danger of a power struggle among the top leadership.

While there is no way to predict which side will win out in the end, the positive or the negative, I believe that the proverbial Chinese instinct for survival, the capacity for hard work, and the hope of a better life will tip the balance in favor of the positive side. Furthermore, in order to preserve its economic progress and a peaceful international environment for further development, the PRC will not unnecessarily go looking for trouble with Taiwan. I believe that the people of Taiwan will also be intelligent enough not to do anything to provoke Beijing. If this is the case, and I believe it will be, then we can count on an increasingly stable, mutually beneficial relationship across the Taiwan Strait.

If my analysis is accurate, then factors in the mainland dimension will also contribute to a hopeful political future for Taiwan. Of course, we should always be prepared for contingencies, such as a serious snag in the PRC's domestic development, or a fierce power struggle that might tempt Beijing's leaders to look for an external target or scapegoat to divert the people's attention or frustration. In these circumstances, the PRC could play a disruptive role in Taiwan's future development.

Altogether, in all three dimensions—the domestic, the international, and the mainland—I believe that the healthy, positive factors will outweigh the unhealthy, negative ones. Therefore, this will ensure a promising future for the Republic of China on Taiwan in the late 1990s and beyond.