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The 2000 Presidential Election and Its Implications for Taiwan's Domestic Politics*

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The 2000 presidential election was surely a milestone event in Taiwan's political development. However, given the fact that Taiwan's constitutional form of government is essentially parliamentary, the change in leadership should not be that significant. Nonetheless, the political system functions quite differently in practice. The discrepancy between theory and practice foretells of tensions between the executive and legislative branches of government. In the foreseeable future, the Democratic Progressive Party (DPP) will find gaining a majority of seats in the Legislative Yuan to be very difficult. However, if the pan-Kuomintang (KMT) camp remains divided, the DPP may still be able to win the next presidency. If that happens again and again as it does right now, a certain degree of stalemate is almost inevitable in Taiwanese politics unless politicians fully abide by the constitutional rules. Moreover, Taiwan's democracy is plagued by "black and gold politics." In order to solve these problems, the island should consider electoral reform. Unfortunately, the major parties are wide apart on this issue, and the chances that electoral reform will succeed in the near future are very slim.

KEYWORDS: **parliamentary form of government; single nontransferable**

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vote (SNTV); single-member district (SMD) plurality system; cleavage; national identity

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In Taiwan's March 18, 2000 presidential election, the ruling Kuomintang's (KMT's 國民黨) candidate Lien Chan (連戰) was defeated by the Democratic Progressive Party's (DPP's 民主進步黨) Chen Shui-bian (陳水扁). With 23.1 percent of the vote, Lien lagged far behind both Chen's 39.3 percent and the KMT-turned-independent James Soong's (宋楚瑜) 36.84 percent. These results mark the first time that the KMT has lost a national election.

The purpose of this paper is to provide an overview of the political situation in Taiwan that has followed this milestone event. The first section seeks to interpret this election. Since the KMT remains the majority party in the Legislative Yuan (parliament), the second section will discuss what a DPP president can do under the current constitutional arrangement. Next follows an explanation of party realignment in Taiwan. The final section comments on political reform in terms of getting rid of the so-called "black and gold politics" (黑金政治) which has loomed very large both before and after the election.

How to Interpret the 2000 Presidential Election?

Interpreting any election is a difficult task because voters cast their vote for a variety of reasons. Without survey data, ascertaining how voters make their choices is a difficult task. However, even with survey data, we may still come up with very different interpretations about an election given different modeling practices.

Let us take political reform as an example. Conventional wisdom seems to indicate that the 2000 presidential election was an election dominated by the issue of political reform. Some people may even go as far as to assert that the three-quarters of the voting population who did not vote for the KMT's Lien Chan were in favor of political reform. This is obviously an exaggeration. In fact, many people voted for Chen Shui-bian

Table 1
Voter Attitude toward the Reform versus Stability Issue

Year	Issue Position (%)			
	Reform	Neutral	Stability	Total
December 1992	4.0	15.5	80.4	99.9
January 1994	5.4	30.5	64.1	100.0
January 1995	12.4	20.9	66.7	100.0
March 1996	4.9	35.1	60.0	100.0
January 1999	14.5	17.1	8.3	99.9

Note: Based on surveys conducted by Opinion Research Taiwan in 1992 and the Election Study Center of National Chengchi University in other years.

simply because they favored Chen's Taiwan independence views. Also, many voters supported James Soong for no other reason than simply the fact that Soong built roads or bridges for their villages when he was the governor of Taiwan Province. Many of these voters may not have considered political reform, as quite a few commentators believed they did, when they went to the polling booths.

Indeed, political reform is a valence issue in the sense that almost everybody recognizes its importance. Thus, no wonder is that all candidates talked about reform. However, whether voters actually based their vote decision on such a concern is a different matter. In a series of surveys conducted first by Opinion Research Taiwan (ORT) and then by the Election Study Center (ESC) of National Chengchi University, respondents were asked to make a tradeoff between reform represented by a score 0 and stability by a score 10. Table 1 shows respondent positions on this issue. Those picking the score 5 are coded as being neutral; and those selecting a score less or greater than 5 are coded as leaning toward reform or stability, respectively. Clearly, the respondents have been concerned much more with stability than reform when having to make a tradeoff between the two. The pattern has been quite consistent over the years. Thus, the assertion that political reform was the key to Chen's success or to Lien's failure may have been exaggerated. As a matter of fact, one could argue that Chen's vote is quite normal for DPP candidates in the elections for executive offices.

Examining the results of the elections in the past decade or so reveals that the vote distribution between the pan-DPP camp, including the DPP, the Taiwan Independence Party (TAIP 建國黨), and the New Nation Association (NNA 新國家連線), on the one hand, and the pan-KMT camp, including the KMT, the New Party (NP 新黨), the Democratic Alliance (民主聯盟), and the newly-formed People First Party (PFP 親民黨), on the other, has been quite stable.

In the Legislative Yuan elections, for instance, the DPP was able to receive 28.26 percent, 31.03 percent, and 33.17 percent of the vote in the 1989, 1992, and 1995 elections, respectively. In the 1998 election, the DPP vote fell to 29.56 percent; by adding the votes for the TAIP and NNA, however, the pan-DPP camp still obtained 32.58 percent of the vote, very similar to what the DPP garnered in 1995.

On the KMT side, the Nationalist Party won 60.22 percent and 60.50 percent of the vote in 1989 and 1992, respectively.[1] In 1995, the NP entered the race. By combining the votes received by the KMT and the NP, the pan-KMT camp gained 59.01 percent of the vote. Again, in 1998, by putting together the votes for the KMT, NP, and Democratic Alliance, the pan-KMT camp managed to win 57.23 percent of the vote, similar to its previous showing.

There has been a certain degree of stability as well in the elections for executive offices—yet the distribution of votes between the two camps is somewhat different. The difference lies in the electoral methods used for the two different types of elections. In the Legislative Yuan election, as in all legislative elections at various levels of government, the major electoral system is the single nontransferable vote (SNTV) under which each voter

[1]According to the official figure released by the Central Election Commission (CEC), the KMT vote in 1992 was 53.02 percent. However, this was not comparable to the 1989 figure because the CEC changed the rules with regard to the labeling of candidates in the elections. Previously, all candidates who claimed to be KMT members, no matter whether they were nominated by the party, would be recorded as such, but since 1992 only those who obtained the party's nomination have been regarded as its candidates. In 1992, there were quite a few heavyweight KMT politicians who were not nominated by the party, but decided to run anyway. Many of these candidates did win the races, and returned to the KMT camp in the Legislative Yuan after being elected. By adding the votes received by those KMT-turned-independents, the KMT actually secured 60.5 percent of the vote, slightly more than it did in 1989.

has only one vote in a multimember district. Such an electoral system exhibits a high degree of proportionality which means the vote shares and seat shares received by all political parties are equivalent.[2] Take the 1995 Legislative Yuan election as an example. In that election, the KMT won 51.83 percent of the seats with 46.06 percent of the vote; the DPP captured 32.93 percent of the seats by gaining 33.17 percent of the vote; and the NP received 12.8 percent of the seats and 12.95 percent of the vote. The KMT gained a small bonus, but the other two obtained almost exactly the same percentage of seats as their vote shares. The results were thus quite proportional. Under such an electoral system, small parties may have a better chance to survive, and as a result, the vote distribution may be fragmented among quite a few political parties.

In the elections for executive offices, the situation is quite different. The electoral method used for such elections is the single-member district (SMD) plurality system. Under such an arrangement, votes are normally concentrated in the two major parties. Indeed, the tendency of such an electoral system toward two-party competition has been dubbed "Duverger's Law."[3] Consequently, the DPP has often been able to achieve larger vote shares in this type of elections. For example, in the elections for county magistrates and city mayors in 1993 and 1997, and the gubernatorial and Taipei and Kaohsiung mayoral elections in 1994, the DPP was able to win 40 percent or more of the vote islandwide. In this context, Chen Shui-bian's vote in the 2000 presidential election is quite normal.

In an interesting paper, Christopher H. Achen argues that Chen's showing in the presidential election is due essentially to the DPP's traditional vote base. He compares, at the township level, the distribution of Chen's vote with that of the DPP vote in the 1995 Legislative Yuan election, and finds that the two match very well—except for a few places including

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[2]See Gary W. Cox, "SNTV and d'Hondt Are 'Equivalent'," *Electoral Studies* 10, no. 2 (June 1991): 118-32; and John Fuh-sheng Hsieh, "The SNTV System and Its Political Implications," in *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (Armonk, N.Y.: M.E. Sharpe, 1996), 193-212.

[3]See William H. Riker, "The Two-Party System and Duverger's Law: An Essay on the History of Political Science," *American Political Science Review* 76, no. 4 (December 1982): 753-66.

Tainan county which is Chen's hometown.[4]

Thus, the vote distribution between Chen on the one hand and Soong and Lien on the other reflects, to a large extent, the long-term party configuration in Taiwan. Of course, this does not mean that no short-term factors such as personality or issues played a role in the distribution of vote between the two major camps in this election. However, obviously such impacts were relatively minor as compared to such a long-term factor as party configuration. In contrast, the vote distribution between Soong and Lien had more to do with short-term factors like personality and issues, as well as the power struggle within the pan-KMT camp over the years.

Important is to note that many people may have dumped Lien for either Chen or Soong at the last moment when they found that their first choice, Lien, lagged behind the other two, and in order to keep their least preferred candidate from being elected, they turned to their second choice.[5] A poll conducted by the *United Daily News* found that, in the last week before the polling day, 11.8 percent of Lien supporters decided to vote for Chen and 5.2 percent for Soong, with there being much less turnaround among Chen or Soong supporters.[6] In other words, without strategic voting, both Chen and Soong would have garnered fewer votes while Lien would have received more.[7] Strategic voting is one of the reasons that the SMD plurality system results in two-party competition.[8]

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[4]Christopher H. Achen, "Plurality Rule When Polling Is Forbidden: The Taiwan Presidential Election of 2000" (Paper presented at the Conference on Taiwan Issues held by the Center for Asian Studies, University of South Carolina, in Charleston, South Carolina, April 2000).

[5]There were more than three candidates in this election. For simplicity, however, we focus only on the three major candidates.

[6]See <http://udnnews.com/FOCUSNEWS/0319F/374839.htm>.

[7]Something similar took place in the Taipei mayoral election in 1994. See John Fuh-sheng Hsieh, Emerson M.S. Niou, and Philip Paolino, "Strategic Voting in the 1994 Taipei City Mayoral Election," *Electoral Studies* 16, no. 2 (June 1997): 153-63.

[8]Another factor is strategic behavior on the part of candidates or parties to converge into two large camps. See note 3 above and Gary W. Cox, *Making Votes Count: Strategic Coordination in the World's Electoral Systems* (Cambridge: Cambridge University Press, 1997).

The Formation of a New Government

After the presidential election, the next pressing task is the formation of a new government. Obviously, how a government should be formed depends very much on the constitutional form of government. However, there is simply no consensus with regard to the constitutional form of government in Taiwan. This has been, and will continue to be, a controversial issue.

In the view of this author, Taiwan's constitutional form of government is closer to the parliamentary system. According to the Constitution of the Republic of China (ROC), the highest administrative organ in the country is the Executive Yuan (cabinet) rather than the presidency; the Executive Yuan is responsible to the Legislative Yuan, not to the president; the Legislative Yuan can use a vote of no confidence against the Executive Yuan, and the president and/or the premier may counteract by dissolving the Legislative Yuan after the passage of a vote of no confidence; and when promulgating laws and issuing ordinances, the president must get the countersignature of the premier, the head of the Executive Yuan, or the countersignatures of the premier and the ministers concerned. All these rules seem to indicate that the ROC Constitution provides essentially for a parliamentary form of government.

Of course, certain features of the ROC Constitution deviate from the British type of parliamentary system. However, a close examination of these features finds that many of these supposedly deviant features may not be that atypical. For example, according to the ROC Constitution, members of the Legislative Yuan cannot also serve simultaneously as government officials; this feature is different from normal practice in parliamentary systems but can also be found in such parliamentary countries as the Netherlands, Norway, and Luxembourg. Taiwan is therefore not that unique in this respect.

Many people in Taiwan argue that as the president is now popularly elected, his power must be enlarged as well. This is incorrect, however, since what the president can or cannot do depends essentially on the specific stipulations in the Constitution regarding presidential powers, not the way he or she is selected. Indeed, in quite a few parliamentary countries

such as Austria, Ireland, Iceland, and Portugal, the head of state is popularly elected, but remains basically a figurehead. Of course, with popular mandate, the president gains more legitimacy, but it cannot be translated into formal governing powers.

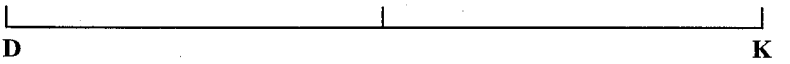
Also, many people believe that with the president now being able to appoint the premier without the need to ratify this decision by the Legislative Yuan, the president becomes the real "boss" in policy matters. Again, however, this is a misconception. Actually, even in the United Kingdom, the ability to appoint someone he or she likes to be prime minister does not mean that the monarch is able to dictate in policy matters. Upon the retirement of Neville Chamberlain in 1940, the king designated Winston Churchill, albeit not yet party leader, to be prime minister. In 1957 and 1963, the queen passed over the party's leaders in the House of Commons by appointing Harold Macmillan and Lord Home, respectively, to be prime minister.[9] These instances show that the British monarch may have maneuvering room when appointing prime minister under certain circumstances, but cannot interfere in policy matters whenever he or she wishes.

In fact, some people believe that Taiwan's current constitutional form of government resembles that of the French Fifth Republic. Even this view is not quite correct. Actually, there are many things that the French president can do but the ROC president cannot. For instance, the French president can, in a more active manner, dissolve the National Assembly at any time except within a year following an election or during the exercise of emergency powers; bypass the National Assembly by submitting a bill directly to the people in a referendum; ask the National Assembly to reconsider a law; and can preside over the Council of Ministers. The French president is certainly much more powerful than the ROC president.

Nonetheless, this comparison only holds true in theory. In practice, the previous ROC presidents, with the exception of Yen Chia-kan (嚴家淦), had almost always enjoyed a great deal of power, distorting the original design of the Constitution. This is, to a large extent, due to their concurrent position as the president or chairman of the ruling KMT—the party which

[9] Walter Darnell Jacobs and Harold Zink, *Modern Governments* (Princeton, N.J.: D. Van Nostrand, 1966), 45.

Figure 1
Potential Forms of Government to Be Formed by Chen Shui-bian



has always commanded a majority of seats in the Legislative Yuan. In the past, given that the KMT controlled the presidency, the Legislative Yuan, and the Executive Yuan, the distortion did not lead to serious problems. Now, however, with the election of Chen Shui-bian whose party controls only one-third of the seats in the Legislative Yuan, the discrepancy between theory and practice may bring about instability or even crisis.

Figure 1 shows the range of possible forms of government the new president can try to institute. For example, he may try to form a pure DPP cabinet at point D, a pure KMT cabinet at point K, or some hybrid form in between. Obviously, a pure DPP cabinet is problematic, which will inevitably encounter strong challenges posed by the KMT, the majority party in parliament. This is a minority government that is unable to secure the confidence of the Legislative Yuan, and can thus be toppled by the latter at any time.

If a pure DPP cabinet is questionable, then a pure KMT cabinet is not satisfactory either as far as the new president and his supporters are concerned. Particularly, in view of the fact that the DPP has campaigned on the "clean government" theme in the 2000 presidential election, and the KMT has been portrayed as the embodiment of corruption, a pure KMT government is unacceptable to the new president and many of his supporters.

Thus, what is left is something in between. There are generally two options here: first, a coalition government comprising the KMT, the DPP, and possibly some other parties, and second, an all-people, nonpartisan government. For the first option, given the majority status of the KMT in parliament, the DPP probably would have to make many concessions to keep the KMT in line; this option is difficult for the new president and his supporters who believe that the KMT is the source of the problems Taiwan faces today. Therefore, immediately after winning the election, Chen Shui-bian turned to the second option, i.e., the formation of an all-people, non-

partisan government. However, such an option has problems, too.

If a coalition involving the KMT, the DPP, and possibly some other parties was formed, these parties would have to negotiate among themselves, and might eventually agree upon common programs to facilitate the formation of a new cabinet. Then, the new government could count on the support of all these parties, and the executive-legislative relationship would likely be stable. Yet, with the formation of a nonpartisan government (instead of a coalition government), the KMT certainly felt excluded from the deal even though the premier and many cabinet members came from the KMT. Worse still, even the DPP legislators sensed that they were bypassed during the discussion over the formation of the new government, and were thus alienated. Accordingly, the so-called nonpartisan government became truly nonpartisan in the sense that no party was behind it.

An interesting question is why the KMT did not insist on forming a KMT cabinet. Indeed, immediately after the presidential election, the KMT did discuss such a possibility, but backed down soon after the president-elect rebuffed the idea. Several factors may account for the KMT's low profile, the most important being the fact that the KMT was demoralized and in disarray after being soundly defeated in the presidential election. Although the KMT continued to control a majority of seats in the Legislative Yuan, the majority was shaky.[10] With a few defections to other political parties, particularly to the newly-formed PFP, such a majority might easily disappear. Moreover, President Lee Teng-hui (李登輝) stepped down from the party chairmanship amid protest against his leadership within the party. The acting chairman Lien Chan had just lost the presidential bid, and was simply too weak to lead the party. After being portrayed as the "black and gold party," moreover, the KMT was in a morally inferior position vis-à-vis other political forces, especially the president-elect. In addition, the most effective method the KMT—as the leading force in the Legislative Yuan—was able to use to counteract the new administration was the vote of no confidence, but the use of such a method might bring about the dissolution of and new elections for the Legislative Yuan, putting the KMT at risk of

[10]After the presidential election, the KMT controlled 116 out of 224 seats.

losing its majority. Also, the president-elect's decision to appoint a KMT member to be the premier might have, to some extent, diluted the fear that the new government would be completely hostile toward the KMT. Finally, as the KMT presidents had almost always enjoyed a great deal of power in the past, albeit for non-constitutional reasons, any KMT talk of reducing the presidential powers after being defeated in the presidential election might have sounded like sour grapes.

In fact, in less than five months after assuming office, the premier resigned. The all-people, nonpartisan government proved unworkable, and President Chen decided to go ahead with a minority government headed by a DPP premier. This is odd because there is a clear majority in the Legislative Yuan. As can be expected, tensions between the executive and legislative branches escalated, and a stalemate has ensued. Things may change only after the next Legislative Yuan election which is scheduled for late 2001 if no immature dissolution or no large-scale cabinet reshuffle takes place in the interim. If the KMT maintains a majority of parliamentary seats in the new election, the president will probably have no choice but to formally incorporate the former ruling party into the government. However, if the KMT fails to retain a majority, which party coalesces with which will determine the type of government to be formed. If the DPP wins a majority of seats, a pure DPP government can then be realized. In this context, the key question is: Will the relative strength of the political parties be changed in the foreseeable future? In other words, will there be significant party realignment following the 2000 presidential election? This is the subject to which we now turn.

Party Configuration after the 2000 Presidential Election

As noted above, electoral competition between the pan-KMT and pan-DPP camps has been very much stable in Taiwan in the past decade or so.[11] To account for such stability, we have to turn to social cleavages,

[11]For a detailed discussion of the continuity and change in Taiwan's party politics, see John

which underpin the emergence of political parties. In Western democracies, the common cleavages are class and religion, plus occasionally rural-urban and subcultural divisions.[12] In recent years, we have also witnessed the emergence of such new political cleavage as environmentalism to serve as the basis for the formation of political parties.[13] The situation in Taiwan is very different.

In a series of studies, Emerson M.S. Niou (牛銘實) and this author have tried to identify the issues that determine voters' partisan support in Taiwan. The results are quite clear: more often than not, political rather than socioeconomic issues dominate. Among the political issues, the national identity issue is especially important in conditioning voters' partisan attachments.[14]

The national identity issue concerns the relationships between Taiwan and mainland China. For some, Taiwan is part of China, and should be reunited with mainland China sooner or later; for others, Taiwan is different from China, and the two should be separated for good; and there are still others who stand somewhere in between.

In general, the KMT supports unification. In recent years, however, this support for unification has become more ambiguous. Although still paying lip service to unification, the KMT nonetheless stresses the status quo which is neither independence nor unification. And as the KMT moved to the middle, the NP was formed, which took over the KMT's earlier pro-unification stance. Still unclear is where the newly-formed PFP stands, with a position somewhere between the KMT and the NP being

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Fuh-sheng Hsieh, "Continuity and Change in Taiwan's Electoral Politics," in *How Asia Votes*, ed. John Fuh-sheng Hsieh and David Newman (Chatham, N.J.: Chatham House, forthcoming).

[12]Seymour M. Lipset and Stein Rokkan, "Cleavage Structures, Party Systems, and Voter Alignments: An Introduction," in *Party Systems and Voter Alignments: Cross-National Perspectives*, ed. Seymour M. Lipset and Stein Rokkan (New York: The Free Press, 1967), 1-64.

[13]Russell J. Dalton, *Citizen Politics: Public Opinion and Political Parties in the Advanced Industrial Democracies*, second edition (Chatham, N.J.: Chatham House, 1996).

[14]See John Fuh-sheng Hsieh and Emerson M.S. Niou, "Issue Voting in the Republic of China on Taiwan's 1992 Legislative Yuan Election," *International Political Science Review* 17, no. 1 (January 1996): 13-27; and "Salient Issues in Taiwan's Electoral Politics," *Electoral Studies* 15, no. 2 (May 1996): 219-35.

Table 2
Ethnicity and the Attitude toward the National Identity Issue

	Issue Position			
Ethnicity	Independence	Status Quo	Unification	Total
Taiwanese (Hakka)	34	63	48	145
	(23.4%)	(43.4%)	(33.1%)	(99.9%)
Taiwanese (Minnan)	244	325	190	759
	(32.1%)	(42.8%)	(25.0%)	(99.9%)
Mainlanders	12	58	65	135
	(8.9%)	(43.0%)	(48.1%)	(100%)

Note: Based on a survey conducted by the Election Study Center of National Chengchi University in 1999.

possible. On the other side, the DPP has long been in favor of Taiwan independence. Yet, the DPP has begun to moderate this position lately, resulting in the formation of the TAIP, a bona fide champion for independence.

In fact, the national identity issue is closely related to ethnicity. Apart from a small number of aborigines, there are two major ethnic groups on the island: Taiwanese and mainlanders. These two ethnic groups are both essentially Han Chinese. The major difference is that the ancestors of the Taiwanese moved from mainland China to Taiwan generations ago, while the mainlanders (i.e., they themselves or their parents or grandparents) came to Taiwan mostly in the late 1940s. The Taiwanese group can be further divided into two subgroups, Minnan (閩南人) and Hakka (客家人). Their ancestors came from different parts of China, and they speak different dialects.

As can be seen from table 2, Minnan Taiwanese are more likely than others to favor Taiwan independence while mainlanders are more likely to support unification. Hakka Taiwanese fall somewhere in between. Also, within each group, a sizeable proportion is in favor of the status quo.

However, in terms of voters' partisan attachments, the more direct and relevant factor is not ethnicity per se, but attitudes toward the national identity issue. For instance, if a mainlander says he is in favor of Taiwan independence, very likely is that he is a DPP or TAIP supporter; or if a Taiwanese mentions she would like to see the unification of Taiwan and

Table 3
Voter Attitude toward the National Identity Issue

	Issue Position (%)			
Year	Independence	Status Quo	Reunification	Total
December 1992	12.4	30.6	56.9	99.9
January 1994	18.1	45.0	36.9	100.0
January 1995	15.3	51.1	33.6	100.0
March 1996	21.4	53.5	25.1	100.0
January 1999	27.7	43.5	28.8	100.0

Note: Based on a survey conducted by Opinion Research Taiwan in 1992 and the Election Study Center of National Chengchi University in various years.

mainland China, she probably supports the KMT or the NP. An examination of the distribution of voters on the national identity issue shows that such distribution has been relatively constant in the past decade or so, accounting for the stability of voters' partisan attachments over the years.

One question in the ORT and ESC surveys taps into voter attitudes toward the national identity issue.[15] Similar to the reform vs. stability issue, respondents were asked to choose between independence and reunification represented by scores 0 and 10, respectively. Table 3 displays the results by classifying the respondents into three broad groups: independence (score 4 or less), status quo (score 5), and reunification (score 6 or more) supporters.[16]

As can be seen from the table, more people adopt middle-of-the-road attitudes, with few people at the extremes. Although there have been some changes over time, the general pattern has remained relatively the same—thus bringing about stability in the electoral competition between the pan-KMT and pan-DPP camps.

[15]The wordings of these surveys, though not always the same, do not deviate too much from each other.

[16]These are nationwide surveys except for the one conducted in 1994, in which the two major cities—Taipei and Kaohsiung—are excluded. Strictly speaking, therefore, the 1994 data and others are not comparable. However, the trend displayed in the 1994 data is consistent with what we obtain from others, so I include them here. However, the readers are cautioned that the 1994 data should be read with care.

However, we can also detect the change in Taiwan's party structure despite the tremendous stability in the competition between the two major camps. The change, i.e., fragmentation, occurs within each camp. Previously, each camp consisted of only one party, but now is divided. The fragmentation is related to the national identity cleavage as well.

Generally speaking, the preference distribution for Taiwanese voters on the national identity issue is more or less multimodal with one big grouping at the center and two small ones at the two extremes. Under such circumstances, a multiparty, rather than two-party, system is more likely to emerge and to sustain.[17] Thus, as mentioned earlier, when the KMT shifted to the center, the NP was formed to its right, and as the DPP attempted to moderate its position, the TAIP emerged to its left. Each party thus fills a niche.

Another important factor contributing to the fragmentation of Taiwan's party structure is the electoral method used for the legislative elections, namely, the SNTV system. Since such a system is quite proportional, small parties may survive. Nonetheless, important is to note that the type of electoral system used for the elections of executive offices, i.e., the SMD plurality system, may facilitate two-party competition and thus discourage small parties from competing in elections. However, as long as small parties are able to at least gain some seats in the legislative elections, they may continue to play a role in Taiwan's electoral politics.

In the next few years, there seems to be no particular reason to believe that the above-mentioned cleavage will change drastically. Accordingly, the relative strength between the pan-KMT and pan-DPP camps may persist in the near future. By moving toward the center of the political spectrum, Chen Shui-bian as an individual politician may attract some new supporters from the pan-KMT side, but such support may not be easily transferred to other DPP politicians. This was the case with Lee Teng-hui who personally has been able to get votes from the DPP side, but has been unable to transfer this support to other KMT politicians. Moreover, Chen's

[17]Anthony Downs, *An Economic Theory of Democracy* (New York: Harper & Row, 1957), chap. 8.

shift to the center has inherent limits. If he moves too far away from the pro-independence stance, the president will definitely alienate those staunch independence supporters who will likely accuse him of betraying the cause, bringing about tensions within the pan-DPP camp.

However, even if competition between the pan-KMT and pan-DPP camps remains stable, fragmentation within each camp may continue. Thus, whether the KMT will be able to regain a majority of seats in the next parliamentary election depends more on the struggle between the KMT and other political forces within the pan-KMT camp than on the competition between the KMT and the pan-DPP camp. Given the fact that the KMT has been seen as the status quo party for so long and that there are more voters at the center than any other positions along the national identity spectrum, the KMT is in an advantageous position vis-à-vis other political parties. Such a position cannot be easily taken over by the DPP or even the PFP. The KMT will remain a formidable, if not the dominant, political force in Taiwan.[18]

Generally, the chances that the DPP will win a majority of seats in the Legislative Yuan are not that great. The best the DPP can hope for is to form a majority coalition with others. When the KMT is unable to secure a majority of seats, the DPP may form a coalition without the KMT. However, the construction of such a coalition may not be easy as well, given the greater differences between the DPP and the other parties within the pan-KMT camp on the national identity issue. Nevertheless, even if unable to easily dominate the Legislative Yuan, the DPP may still be able to win the next presidential election if the pan-KMT camp remains divided and the pan-DPP camp is unified.

Political Reform

Taiwan has moved far along the democratic road, but the quality of this new democracy is problematic. "Black and gold politics," referring to

[18]See John Fuh-sheng Hsieh, "Whither the Kuomintang?" (Paper presented at the Conference on President Lee Teng-hui's Legacy: Formation and Implications, Taipei, May 2000).

the involvement of organized crime and money interests in politics, is a serious problem that needs to be addressed. Indeed, the "black and gold" problem loomed very large in the media in the 2000 presidential election. Although the percentage of voters who were actually influenced by such a concern in their vote choices is an issue that needs to be examined more carefully, the issue did attract much attention not only during the campaign but also after the election. Especially affected by this issue was the KMT, which was portrayed as the source of such problems. Indeed, shortly after the election, the KMT set up a committee to study intraparty reform. Nonetheless, given the fact that the KMT now controls only a shaky majority in parliament, unlikely is that the party will aggressively "purge" those legislators with "black and gold" records. Reform, however, is a life-and-death matter for the KMT now. Thus, the KMT may face a dilemma in such matters.

Of course, for the new government, there are a variety of methods to alleviate this "black and gold" problem. To enforce the existing laws in a more forceful manner is clearly one of the methods. A more fundamental method, however, is to remove the incentive to be engaged in "black and gold politics" from the political arena. In this regard, electoral reform is necessary.

As mentioned earlier, the electoral system used for the legislative elections in Taiwan is the SNTV system. This is a very personalized electoral method. Under such a system, there are often several candidates from the same party, particularly the large parties, competing against each other within one district. In an eight-member district, for example, the KMT may, judging from past experience, nominate five candidates. These five candidates have to compete against not only the candidates from the DPP and other political parties, but also their co-partisans. Given that the competition between the two major camps has been quite stabilized, these candidates may get bogged down in the situation that their primary enemies are their co-partisans. Since these KMT candidates all belong to the same party, party label becomes irrelevant. The campaigns thus turn out to be very personalized, and less constrained by institutional means.

Moreover, since these five candidates belong to the same party, their policy positions are often similar as well. Consequently, discussion over

policy matters becomes meaningless. Thus, in order to distinguish among themselves, candidates have to become "creative." Providing services for constituents is a good method to achieve that goal. As a result, pork-barrel politics is almost inevitable.[19] Since the party has to remain neutral, these candidates must rely on themselves. Corruption may ensue. Furthermore, given the fierce competition among candidates of the same parties, factional politics may as well be a feature of politics that cannot be easily lessened.

Of course, one cannot convincingly argue that the SNTV system is unique in the above respects, but this institutional structure does push the system to the extreme—candidates differentiate themselves not by party or policy, but rather by money and probably fist. Therefore, electoral reform should be part of the package to solve the "black and gold" problem. Indeed, there has been much talk of electoral reform in the past few years, but given the diverse positions taken by the major political parties, such progress may not be easily achieved.[20] Thus, the chances that the "black and gold" problem can be greatly alleviated are not that promising, indeed.

Conclusion

The 2000 presidential election is surely a milestone event in Taiwan's political development. The seemingly perennial ruling party, the KMT, for the first time lost in a major national election. Given that Taiwan's constitutional form of government is closer to the parliamentary system, the loss of the presidency does not have to be that serious for the KMT if everyone,

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[19]For a similar argument in the Japanese context, see J. Mark Ramseyer and Frances McCall Rosenbluth, *Japan's Political Marketplace* (Cambridge, Mass.: Harvard University Press, 1993).

[20]The KMT has proposed a mixed system based on the Japanese model, which includes a large number of SMD's plus a few seats reserved for proportional representation (PR), with the allocation of seats in each part to be conducted separately. Such a system is not very proportional, and will definitely benefit the large parties, particularly the largest one. The DPP, on the other hand, prefers a different kind of mixed system, based essentially on the German model with the PR part being the basis for determining the overall distribution of seats among political parties. The DPP proposal is essentially PR, and favors small parties if the threshold for getting seats is not too high.

including the new president, abides by the rules. As mentioned above, however, the actual situation is quite different. Thus, the KMT has lost a great deal of governing power although, being the majority party in parliament, it remains a formidable force with which to be reckoned. Although the ROC Constitution provides essentially for a parliamentary form of government, Taiwan's political system operates rather like presidential system in practice. The discrepancy between theory and practice foretells of tensions between the executive and legislative branches of government.

In the foreseeable future, likely is that the KMT will continue to be a formidable political force in Taiwan. Although whether the party will be able to gain a majority of parliamentary seats in future elections remains to be seen, the KMT will probably continue to command a large number of seats in parliament. How well the party will fare in such elections depends less on its struggle against the DPP than on the Nationalist Party's ability to integrate the political forces within the pan-KMT camp.

Very unlikely is that the DPP will gain a majority of seats in the Legislative Yuan elections under the current circumstances. However, if the pan-KMT camp remains divided, then the DPP may still be able to win the next presidential election.

Taiwan has become quite democratic now, but the quality of this democracy is problematic, with politics being plagued with the "black and gold" problem. To solve these problems, electoral reform should be taken into consideration. Unfortunately, the two major parties are wide apart in this regard. The chances that electoral reform will succeed in the near future are very slim, indeed. The "black and gold" problem will probably persist in the years to come.