

# **“The Fourth Wave” in China?**

**-- Taiwan’s Experience of Democratization and China’s Path to Democracy**

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## I. Introduction

‘We are all democrats today. Mr. Major and Deng Hsiao-Ping, Mr. Gorbachev and President Yeltsin, Mr. Mandela and even President de Klerk. In some countries, it is true, *armies* enjoy a suzerainty which they are at pains to proclaim as temporary. And around the Persian Gulf, in Morocco and here and there in the Himalayas and South East Asia a tatty monarchy or two still adorns the map. But even these strive to ingratiate themselves as best they may as the instruments of their people’s purposes, tools of the *Demos*.’<sup>1</sup>

Political philosopher and theorist John Dunn began his discussion of democratic theory some twenty years ago with the statement quoted above. But he argued that democracy has been taken at its face value when “all modern states claim to represent their population’s interests” and “all—all except a handful of monarchies—even claim that their political form at present constitute (or will shortly, as soon as the emergency is over, come to do so) a government *by* the people themselves.”<sup>2</sup>

Dunn’s doubt about the social and historical reality of democracy notwithstanding, democracy has been widely regarded as the sole source of political legitimacy, especially since the crumbling of the Berlin Wall 1989 and collapse of Soviet Union in 1991. Fukuyama thus proclaimed that the human history has arrived at its end with the global consensus on the legitimacy of liberal democracy as a system of government.<sup>3</sup> As one commentator has pointed out, “[I]f the name (of general will) among others and the grand narratives of modernity and universalism sound dated, so should democracy—yet remarkably the latter has triumphed in “postmodern” cultures.”<sup>4</sup> The triumph of democracy and the globalization of capitalism, indeed, constitute an important historical and political context for explaining the “expectation” and “prediction” of the fourth wave of global democratization. China is

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<sup>1</sup> John Dunn, 1993, *Western Political Theory In The Face of The Future* (Canto edn.), p. 1. (Cambridge: Cambridge University Press).

<sup>2</sup> Dunn argued that “[D]emocratic reality is pretty thin on the fground”. Ibid., p. 2.

<sup>3</sup> Fukuyama argued that “a remarkable consensus concerning the legitimacy of liberal democracy as a system of government had emerged throughout the world over the past few years, as it conquered rival ideologies like hereditary, monarchy, fascism, and most recently communism”. Francis Fukuyama, 1992, *The End of History and The Last Man*, p. xi (London: Penguin Books). See also his article published earlier: “The End of History?”, *The National Interest*, No. 16, Summer 1989, pp. 3-18.

<sup>4</sup> See Lin Chun, 2006, *The Transformation of Chinese Socialism*, pp. 190-1 (Durham and London: Duke University Press).

also expected to join the club of “the fourth-wave democracies”, in the long, if not short, run, at the time when the legitimacy of the communist regime can no longer be generated (mainly if not solely) from its successful economic performance.<sup>5</sup>

Between 1974 and 1990 more than thirty countries in southern Europe, Latin America, East Asia, and eastern Europe shifted from authoritarian to democratic system of government. This global political phenomenon was termed by Samuel Huntington “the third wave” of democratization. The third wave of democratization in the modern world began in Portugal in 1974. In Asia, the people power movement that forced Ferdinand Marcos from power in 1986 was the beginning of the third wave of democratization in East Asia, which was quickly followed in 1987 by the end of military power in South Korea and the lifting of martial law in Taiwan.<sup>6</sup> The end of martial law in 1987 began the democratization process in Taiwan, signaled by Lee Teng-hui’s election as the president, and then the victory by the opposition Chen Shui-bian in the 2000. Chen won his second term in 2004, despite the controversy over the shooting incident at the eve of presidential election. Thus Taiwan illustrates the example of democratization during the third wave, and has joined Japan as consolidated democracies in East Asia that ensure the basic political rights and civil liberties.<sup>7</sup>

At the same time when Huntington discussed the issue of democratic consolidation in new democracies, he explored the obstacles to and opportunities for more/further democratizations (of the two-thirds of the countries in the world that did not have democratic regime in 1990) through analyzing the experiences of the third wave democracies. The discussion of further democratizations not only concerns the issue of preventing a third reverse wave of democratic breakdown but also the possibilities

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<sup>5</sup> Cf. Yu-shan Wu, 1998, “The Impact of Economic Reform on Authoritarian Politics in the PRC: Modernization Paradigm Revisited” (in Chinese), *Political Science Review* (政治科學論叢), No. 9, pp. 443-464; 2000, “China”, in Jeffrey Kopstein and Mark Lichbach (eds.), *Comparative Politics: Interests, Identities, and Institutions in a Changing Global Order* (Cambridge: Cambridge University Press); Larry Diamond, 1999, *Developing Democracy: Toward Consolidation* (Baltimore, N. Y.: Johns Hopkins University Press)

<sup>6</sup> Samuel P. Huntington, 1991, *The Third Wave: Democratization in the Late Twentieth Century* (Norman and London: University of Oklahoma Press)

<sup>7</sup> Russell J. Dalton and Doh Chull Shin, 2004, “Democratic Aspirations and Democratic Ideals”, paper presented at the conference on “citizens, Democracy and Markets around the Pacific Rim,” East West Center, March 2004. Dalton and Shin rely on the Freedom House data to describe the democratic development of the nations discussed in this paper and combine the political rights and civil liberties scale to create a “democracy score” for each nation.

for a fourth wave of democratization. Commonly viewed as a “rising superpower containing a fifth of humanity”, China, not surprisingly, is at the center of any discussion of the fourth wave of democratization, with Iraq being another.<sup>8</sup> As Diamond pointed out, “China will not remain the same politically, and how it evolves will powerfully influence political trends in Asia and the rest of the world.” Even “[I]n a narrow demographic sense”, Diamond continued, “one can argue that the successful democratization of China would, in itself, constitute a wave of democratic change.”<sup>9</sup>

China has astonished the world by its remarkable economic achievement. Indeed, as a country of 1.3 billion people that has made itself the sixth largest economy in the world, reaching \$1.64 trillion in gross domestic product (GDP) in 2004, the results of China’s reform since the late 1970s have been impressive. Against the background of China’s rapid development of market economy, “Will the fourth wave of democratization happen in China?” has become one of the most important issues concerning the country’s future political development. Rephrasing the question in the language of modernization theories, observers are actually watching whether China’s economic development will, as in Taiwan and South Korea, generate growing pressures and possibilities for China to make a definitive regime change to liberal democracy.

Leaving aside the no less important intellectual debate about different conceptions of democracy among China scholars,<sup>10</sup> in the debate over the question as to whether

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<sup>8</sup> Another “center” of the current discussions of the fourth wave of democratization would be the political development in the middle-East, specifically Iraq. While some commentators argued that the taking place of the historic election in Iraq in 2005 has placed the country in the rising wave of democracy to overcome the freedom deficit in the Arab world, some suspect the existence of an “Iraqi democracy” when “the shadow of Iraq has fallen on military intervention, but not on the norm of democracy itself.” See Derek Reveron, 2005, “Democracy Spreads: Is the world on the cusp of a fourth wave of demodratization?” (*National Review Online*; <http://www.nationalreview.com/comment/reveron200510141458.asp>) for the former comments; for the latter remarks, see Roham Alvandi and Anna Hakala, 2007, “Editorial Intrdcution: ‘Democratisation’” (*STAIR* 2, No. 2, pp. 3-8)

<sup>9</sup> Larry Diamond, 1999, “Democracy: The Global Prospect”, *Hoover Digest*, 1999 No. 4 (<http://www.hoover.org/publications/digest/3521331.html>). Diamond in a working paper written in 1997 also argued that once China’s income level begin to surpass that of third wave democracies, such as Portugal, Greece, and South Korea, “this could ignite a fourth wave of democracy, with powerful effects not only on rapidly growing, much poorer economies (like Vietnam and quite possibly Burma) but also on the region’s remaining constrained or pseudodemocracies, particularly Malaysia and Singapore.” Larry Diamond, 1999, “Is the Third Wave of Democratization Over? The Imperative of Consolidation”, pp. 34-5 (Working paper #237, March 1997)

<sup>10</sup> Indeed, in the most literature on China’s political development or democratization, the liberal model

China will move towards democracy eventually, some are more optimistic than others.<sup>11</sup> “While recognizing the zigzag pattern of reform and the fact that political reforms had not kept pace with economic reform,” as Dickson pointed out, “analysts were generally optimistic about China’s future.” The events of the latter part of 1980s and into the 1990s, however, led to a re-evaluation of the potential and possibilities for political change in China.<sup>12</sup> Neoauthoritarianism and neoconservatism emerged as two influential political discourses in China after the outbreak of the Tiananmen Square protests of 1989, with both the economic and politics reform agenda being shelved in favour of more conservative policies.<sup>13</sup>

Neoauthoritarianism depicts China’s future in the light of the so-called East Asian capitalist-authoritarian model, in particular Taiwan’s and South Korea’s development experiences.<sup>14</sup> The encouraging sign of China’s democratic development, viewing from the neoauthoritarian perspective, is the introduction of competitive elections at the local level although party contentions and election campaigns do not exist.<sup>15</sup> The emergence of neoconservative doctrine has to be understood against the political background of post-Tiananmen Square protests and Russia’s struggle to manage its

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of democracy is presumed or set as the goal of China’s democratic transition. Yet, different models or conceptions of democracy that had been entailed, partially if not fully, in the political practice of communist China before the reform, predominantly the ideas of “democratic socialism” and “people’s democracy” have been contested and argued for in the discussions by, for example, those who prioritize substantial justice over procedural justice and positive liberty over negative liberty.

<sup>11</sup> See, for example, Suisheng Zhao, 2000, “Introduction: China’s Democratization Reconsidered”, in Suisheng Zhao (ed.), *China and Democracy: The Prospects for a Democratic China*. (New York and London: Routledge); Yu-shan Wu, “China”, in Jeffrey Kopstein and Mark Linchbach (eds.), *Comparative Politics: Interests, Identities, and Institutions in a Changing Global World*. (Cambridge: Cambridge University Press) Most recently, whilst Henry S. Rowen and Dali L. Yang are more optimistic about the liberal-democratic prospect for China, Minxin Pei is less optimistic or more reserved. See Henry S. Rowen, 2007, “When Will the Chinese People Be Free?”, *Journal of Democracy*, Vol. 18, No. 3, July 2007. Comments on Henry’s article by Minxin Pei, “How Will China Democratize?”, *Journal of Democracy*, Vol. 18, No. 3, July 2007, pp. 53-7; and Dali L. Yang, “China’s Long March to Freedom”, *Journal of Democracy*, Vol. 18, No. 3, July 2007, pp. 58-64.

<sup>12</sup> Bruce J. Dickson, 1997, *Democratization in China and Taiwan: The Adaptability of Leninist Parties*, p. 1. (Oxford: Clarendon Press) See also Maurice Meisner, 1999, *Mao’s China and After: A History of the People’s Republic of China* (3<sup>rd</sup> edn.), p. 486. (New York: The Free Press)

<sup>13</sup> As far as the “conservativeness” of the view regarding the scope and pace of reform is concerned, neoauthoritarianism is less conservative than neoconservatism. Whilst Deng’s policy ideas entail the former, Jiang Zemin is commonly seen as the exponent of the latter. See Yu-shan Wu, 2000.

<sup>14</sup> As Yu-shan Wu’s discussion has pointed out, the neoauthoritarian expectation or prediction of political opening and pluralism following rapid capitalist economic development under an authoritarian system is actually a variant on the theme of modernization theory. See Wu, 2000, “China”, in Jeffrey Kopstein and Mark Lichbach (eds.), *Comparative Politics: Interests, Identities, and Institutions in A Changing Global Order*, p. 251. (Cambridge: Cambridge University Press)

<sup>15</sup> Some commentators, however, argue that the democratic impact of the implementation of local elections on China’s democratic future remains to be seen. For example, Lin Chun has argued that ‘The impact of local elections on central policies, if any, has been trivial. (Lin, 2006, p. 180)

post-democratic transition situation.<sup>16</sup> For neoconservatives, political and economic stability should be the paramount goal of China's development at its current stage, instead of more radical reforms in politics and economy.

“The Taiwan model” (or “the Taiwan experience”) enters the discussions of the obstacles to and prospect for China's democratic development mainly because China, like Taiwan, has adopted the same strategies of developmental state for its economic development.<sup>17</sup> In terms of its political reform, commentators have argued that since Deng Xiaoping's rise to power, China has treaded a path of political change that bears some intriguing similarities to that in Taiwan—transforming from an *uninhabited* political center that obtained the society's total compliance with its ideology, policies, and commands, toward an *inhabited* center.<sup>18</sup> The trajectory of Taiwan's political transition to liberal democracy following the island's capitalist economic growth therefore has been the ground on which the argument or prediction that communism in China is doomed to eventual extinction through gradual peaceful evolution, driven by reform-oriented processes of economic development is made.

What should be noted here is that the cultural affinities between Taiwan and China, primarily the influence of Confucianism, also account for the scholarly attention to the “the Taiwan model” (of liberal democratic development) when China's future

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<sup>16</sup> The experience of Russia's democratic transformation is commonly viewed as a negative lesson, especially among the Chinese. As Lin Chun has noted, “[T]o the Chinese eye, postcommunist Russia (not to mention the post-Tito war-torn Balkans) in particular demonstrated that “negative liberties” alone, and economic liberalization and electoral competitions alike, could not be the road to a functional democracy.” Lin Chun, 2006, p. 3. In explaining the factors of the political restabilization of the Chinese communist regime in the period following the Tiananmen crackdown, David Baum pointed out that perhaps the most important of these is China's relatively robust economy. He compared the consequences of China's economic reforms with that of Russia and Eastern Europe, arguing that widespread economic immiserization and consumer despair contributed substantially to the sudden collapse of socialism in 1989-90. China's relatively robust economy thus provided “poor soil” for popular political mobilization by antigovernment forces. David Baum, 1992, “Political Stability in Post-Deng China”, *Asian Survey*, Vol. XXXII, No. 6, June 1992, pp. 491-2.

<sup>17</sup> According to Woo-Cumings, the form of “developmental state” originated as the region's idiosyncratic response to a world dominated by the West; and today state policies continue to be justified by the need of the nation's economic competitiveness and by a residual nationalism (even in the contemporary context of globalization). Meredith Woo-Cumings, 1999, “Introduction: Chalmers Johnson and the Politics of Nationalism and Development”, in Woo-Cumings (ed.), *The Developmental State*, p. (Ithaca, N. Y.: Cornell University Press).

<sup>18</sup> Larry Diamond, 2000, “Foreword”, in Suisheng Zhao (ed.), *China and Democracy: The Prospect for a Democratic China*, xi (New York and London: Routledge); *emphases original*. The term of “inhabited center” was coined by Thomas Metzger to refer to the form of rule the foundation of which is more limited instead of unlimited government. In the case of Taiwan, it refers to the taking place of local electoral competitions under the overall control of the single, ruling party, the KMT.

political development is under discussion.<sup>19</sup> NeoConfucianism and the associated discourse of “Asian values” have been the most popular discourses in this area of studies and discussions. Yet whilst some are attempted to argue for the compatibility between western model of liberal democracy and Confucian values, hence disputing Huntington’s theory of “clash of civilizations”, some are intended to invoke “Asian values”, advocated vehemently by Lee Kuan Yew, as the ideological rationale/foundation of an alternative model of democracy that is “non-western” and “illiberal” in its characteristics.<sup>20</sup> In the following section, Taiwan’s experience of democratization since the end of World War Two will be briefly discussed before we proceed to “compare” Taiwan and China and discuss the implications of Taiwan’s experience of democratization for China’s democratic development.

## II. Postwar Taiwan’s experience of democratization

“With the stunning defeat of the KMT in the year 2000 presidential election, the resiliency of Taiwan’s new democracy has passed its last test”, proclaimed two prominent political scientists of Taiwan’s democratization.<sup>21</sup> Yet one of these two scholars wrote a few years later in 2007 that “democracy in Taiwan is under severe strain”, “struggling with overwhelming governing challenges”.<sup>22</sup> The challenges facing this new democracy, according to Chu, include inconclusive and disputed outcomes of the 2004 presidential election,<sup>23</sup> endless partisan gridlock and bickering,

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<sup>19</sup> Among others, Yun-han Chu, in emphasizing the implications of Taiwan’s democratic experience for China’s future political development, said that “It [Taiwan’s experience] constitutes a crucial social experiment because it is the first and the only democracy even installed and practiced in a culturally Chinese society”. Yun-han Chu, 2007, “Taiwan’s Struggling Democracy”, paper presented at the international conference on “Taiwan and Its Contexts” at Yale University, April 26-28, 2007; pp. 2-3.

<sup>20</sup> The phrase of “illiberal democracy” was originally developed by Daniel A. Bell and Kanishka Jayasuriya to draw attention to the “cultural particularity of liberal democracy” at the same time to suggest a model of illiberal democracy. See the volume edited by Daniel Bell and Kanishka Jayasuriya *Towards Illiberal Democracy in Pacific Asia*. (Oxford: St. Martin’s Press)

<sup>21</sup> Yun-han Chu and Jih-wen Lin, 2001, “Political Development in 20<sup>th</sup>-Century Taiwan: State-Building, Regime Transformation and the Construction of National Identity”, *The China Quarterly*, 2001, Vol. 165, p. 129.

<sup>22</sup> Yun-han Chu, 2007, “Taiwan’s Struggling Democracy”, paper presented at the international conference on “Taiwan and Its Contexts” at Yale University, April 26-28, 2007.

<sup>23</sup> The 2004 presidential election ended with the incumbent Chen Shui-bian, DPP leader and standard-bearer of the pro-independence ‘pan-Green camp’, winning his second term. Yet controversy raged over a dramatic incident the day before the election in which Chen was injured by a pistol shot while waving regally to his supporters aboard a jeep in his hometown of Tainan. All sorts of conspiracy theories of the incident spread. For supporters of the opposition KMT or the “pan-Blue” camp, the incident of the first ever “political murder” in Taiwan’s political history was plotted by the ruling DPP with a view to attracting sympathy votes. For the discussions of the incident, see Yun-han Chu, 2004, “Taiwan’s Year of Stress”, *Journal of Democracy*, Vol. 16, No. 2, pp. 43-57 (specifically the

recurring clashes over national identity, rampant corruption at the highest echelon,<sup>24</sup> slower growth and foggy economic outlooks. The worst of all problems, for Chu, is perhaps the declining public confidence in the superiority of democratic form of government, demonstrated in a widely-shared nostalgia for the seeming efficacy and efficiency of the government during the period of authoritarian rule.<sup>25</sup>

Riding on the third wave of democratization, Taiwan began its democratic transition in 1986 when the ruling party, the Kuomintang (hereafter the KMT), under the leadership of Chiang Ching-kuo, launched political reform while the opposition forces, widely known as the Dangwai, took the risk of forming a political party. Taiwan's experience of democratization in the postwar period is dubbed the "Taiwan miracle" mainly because of the relatively short and peaceful process of its political transformation from authoritarianism under the rule of a quasi-Leninist party-state into a democratic political system. Crucial to understanding Taiwan's political miracle is that the island's democratic transition took place at the same time when its economy continued to grow and its society remained relatively stable and orderly.

The stable and orderly social environment, in which Taiwan's democratic transformation proceeded, nonetheless would not have been existent without the so-called "growth with equity".<sup>26</sup> As one expert on Taiwan's equitable development has pointed out, the spectacular growth of per capita income and the distribution of that income, at least up to the late 1980s, are without parallel.<sup>27</sup> The Taiwan

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consequences of the incident for Taiwan's democracy); Perry Anderson, 2004, "Stand-off in Taiwan", *London Review of Books*, Vol. 26, No. 11, June 2004. The Chinese version of Anderson's article, titled "Blue and Green in South China Sea", is published in *Taiwan: A Radical Quarterly in Social Studies*, No. 55, September 2004.

<sup>24</sup> This refers to a series of the so-called "first family scandals" that involve primarily President Chen Shui-bian's wife and son-in-law. Chen's wife Shu-chen Wu is accused of accepting gift vouchers from a department store while his son-in-law has been charged with insider trading. Chen has seen his popularity plummet amid a series of scandals involving his family and close aides. In June 2006, Chen survived an unprecedented parliamentary attempt by the opposition KMT to oust him from office. However, the (moral) calls by a group of "Green-Camp friendly" intellectuals for the president to resign has come as perhaps an even bigger blow to Chen.

<sup>25</sup> Chu, 2007, p. 2.

<sup>26</sup> "Growth with equity" is widely regarded as an important characteristic of Taiwan's postwar economic development that makes Taiwan's experience of economic growth a "miracle" in the view of economists.

<sup>27</sup> While average real per capita GDP rates (percent per year) generally rose, increasing from 5.9 in the 1960s through 8.1 in the 1970s and 5.6 in the 1980s to 7.3 in the early 1990s, inequality of income (Gini coefficients) fell, from 0.56 in 1950 through 0.44 in 1959, and 0.29 in 1970. It raised again from 0.29 in 1978 to 0.38 in 1990. Taiwan also did well in improving basic living conditions. Though excluded from the United Nations Development Programme's (UNDP) *Human Development Report* for political reasons, estimates by economists show that Taiwan's human development index (HDI)



experience thus provides a persuasive counter-example to what was once viewed as Kuznets' inverse-U-shaped iron law.<sup>28</sup>

Also important for understanding Taiwan's postwar political evolution is its dual development of liberalism and nationalism that distinguishes Taiwan's experience of democratization from many other countries.<sup>29</sup> Indeed, liberalism and nationalism constitute an important feature of Taiwan's postwar public culture, framing the political imagination of the people in Taiwan and influencing the direction of Taiwan's political development.<sup>30</sup> This twin development of Taiwan's postwar politics has to be understood in the historical and political contexts of the end of Second World War, the Chinese civil war and the Cold War. Taiwan's location in the "web of empires", as Michael Mann described it, illustrates well these contexts and the impact of developing in these contexts on Taiwan's development.<sup>31</sup> The power struggles between the Chinese Communist Party (hereafter the CCP) and the KMT in the Chinese civil war on the mainland, the retreat of the KMT to the island of Taiwan in 1949 following its defeat by the communists, and the outbreak of Cold War

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rating has improved steadily, from 0.618 in 1976 to 0.898 in 1993. See Gustav Ranis, 1999, "Reflections on the Economics and Political Economy of Development at the Turn of the Century", in Gustav Ranis, Sheng-cheng Hu and Yung-peng Chu (eds.), *The Political Economy of Taiwan's Development in the 21<sup>st</sup> Century* (London: Edward Elgar), pp. 5-8. Howe's article provides figures on Taiwan's real GDP growth (percent per annum) from 1992 to 1998: 6.8 in 1992, 6.3 in 1993, 6.5 in 1995, 5.7 in 1996, 6.8 in 1997 and 4.8 in 1998. See Christopher Howe, 2001, "Taiwan in the 20<sup>th</sup> Century: Model or Victim? Development in a Small Asian Economy", *China Quarterly*, p. 55.

<sup>28</sup> Simon Kuznet's "inverted U-curve hypothesis" is the most influential idea ever put forward on inequality and development. It states that 'inequalities first rise with the onset of economic growth, eventually level off over time, then begin to fall in advanced stages of development, thus the growth-equality relationship is characterised by a trajectory in the shape of an inverted U.' See Timothy Patrick Moran, 2005, "Kuznet's Inverted U-Curve Hypothesis: The Rise, Demise, and Continued Relevance of a Socioeconomic Law", *Sociological Forum*, June 2005, p. 209.

<sup>29</sup> Chu, in another article, pointed out that Taiwan's democratic transition is distinctive from other developing countries in at least five aspects: First, regime transition in Taiwan has meant democratisation from scratch rather than redemocratisation; Second, Taiwan's transition was not from a military regime but from the rule of a single party; Third, Taiwan's political opening was neither triggered by any major socioeconomic crisis or external market crisis, nor accompanied by popular demand for major socioeconomic reform; Fourth, the ethnic cleavage between the mainlanders (the original followers of Chiang Kai-shek who together with the Nationalist government retreated to the island in 1949 and their offspring) and the 'native' Taiwanese made Taiwan's democratic transition both easier and more complicated; Finally, the transition in Taiwan not only called into question the legitimacy of the regime but also the legitimacy of the state—its claims to sovereign status in the international political community, its territorial boundaries, and the compass of its citizenship. Chu, 1996, 'Taiwan's Unique Challenges', *Journal of Democracy*, 1996, Vol. 7, No. 3, p. 69. Taiwan's 'growth with equality' will be discussed in more details in the following section.

<sup>30</sup> Mei-chuan Wei, 2006, *Public Culture and the Taiwan Imaginary: Freedom, the Nation, and Welfare as Social Justice*, unpublished doctoral thesis submitted to the Department of Government, London School of Economics and Political Science, University of London, March 2006.

<sup>31</sup> Michael Mann, 2004, "Taiwan in the Web of Empires", paper presented to Conference "Taiwan at the Edge of Empires", December 18-19, 2004, pp. 14-15, Taipei, Taiwan.

contributed to the creation of a “divided state” (of China) as Wakabayashi Masahiro termed it,<sup>32</sup> with the Republic of China (hereafter the ROC, the official name of Taiwan) locating on the island and the People’s Republic of China (hereafter the PRC) on the mainland.

Nationalism has been an influential political discourse in the public forum ever since the KMT was forced to retreat to Taiwan in the 1950s. Even the liberal discourse of “Free China movement”<sup>33</sup>, at its early stage, touched upon the issue of nationalism.<sup>34</sup> Moreover, evolving nationalism has always influenced the trajectory of Taiwan’s postwar political development.<sup>35</sup> Yet the issue of “national identity” had been largely neglected in the literature on Taiwan’s postwar democratization. It was not until the focus of studies on Taiwan’s democratic development shifted from the island’s “democratic transition” to “democratic consolidation and deepening” that the national identity issue attracted the attention of scholars.

The shift of research focus happened when acute ethnic conflicts in some third-wave democracies, specifically former communist states in Eastern Europe, prompted democracy scholars to scrutinize the relationship between democratic consolidation

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<sup>32</sup> Wakabayashi Masahiro, *Taiwan: the Divided State and Democratization* (trans. By Chin-chu Hung and Pei-hsien Hsu) (Taipei: Yueh-dan Publishing Press)

<sup>33</sup> “Free China Movement” refers to the intellectual as well as political movement in the 1950s and 1960s which was aimed to promote values of liberal democracy and participated primarily by the Chinese liberal intellectuals who retreated with the KMT to Taiwan in the 1950s. The participants of the movement revolved around the influential magazine *Free China* bimonthly, which was founded by Hu Shih, the spiritual leader of the Free China movement. Hai-guang Yin, whose political thoughts had been heavily influenced by the works of Hayek and Fo-chuan Chang, is thought to make most contribution to constructing the theoretical discourse of the movement whilst Lei Chen was regarded as the most important leader in building the alliance between the Taiwanese local political elites and the Chinese politicians in the abortive attempt to form a new party at the late stage of the movement.

<sup>34</sup> Indeed, the “war” against the Chinese communists was commonly viewed as a “national war” staged to defend and preserve China or the Chinese nation from the “invasion” of Soviet Union. Moreover, the rationale the liberal intellectuals of Free China grouping provided to justify and promote liberalism in the face of the KMT’s authoritarianism, especially after the outbreak of the Korean War in 1950, was in fact that liberal democracy was the only way to make China a real strong nation.

<sup>35</sup> This includes the Kuomintang’s (hereafter the KMT) anti-communist struggles, which began in the Chinese civil war on the mainland in the 1950s and ended in the early 1990s as a result of Taiwan’s new mainland policy. This entailed a shift away from viewing the PRC under the CCP as national enemy, to treating it as another political entity within the territory of China. Also significant was the left-wing campaign against American neo-colonialism launched by the Nativist Literary Movement in the 1970s. At the time, Taiwan was experiencing rapid capitalist economic development and a series of diplomatic setbacks in the wake of the normalisation of Sino-American relations. Finally, Taiwanese nationalism continued to mutate in the late 1990s as China emerged as an important regional and global player, mainly because of its economic achievements. The discourse of “normalization” of the cross-Strait relations that has been advocated recently by the ruling DDP can be seen as the “radicalization” of Taiwan’s mainland policy.

and nationalism.<sup>36</sup> And the Taiwanese case was relevant because around the same time when ethnic conflicts appeared to be a key factor that would decide the future of new democracies of post-communist countries in Eastern Europe in the 1990s--moving towards consolidation or “backwards” to authoritarianism, the former Taiwan president Lee Teng-hui launched the nation/state-building movement. Since then, argue liberal democrats, a divided national identity and nationalist politics have been the most crucial factors affecting Taiwan’s democratic consolidation and threatening the stability of liberal democratic constitutionalism on the island.

The unsettled problems of Taiwan’s international status and divided national identity of the people in Taiwan are considered to be the most formidable challenges facing Taiwan’s democratic future.<sup>37</sup> The gradual transformation of “Chinese nationhood” to taking “Taiwan” as the nation was first embodied in the “Chinese consciousness versus Taiwanese consciousness” debate in the early 1980s and the “Chinese nationalism versus Taiwanese nationalism” debate in the early 1990s. The former debate took place a few years before the lifting of the martial law at that time the KMT government was loosening its sociopolitical control under the increasing pressure from within (the opposition Dangwai and various social movements) and without (primarily the United States); the latter happened against the backgrounds of the rise of China’s economic power and the challenges facing the KMT from the DPP in the elections.

The normalization of the Sino-American relations, beginning in the early 1970s with a rapprochement between the two countries, resulted in a series of diplomatic setbacks to Taiwan in the 1970s. The event generated the legitimacy crisis to both the regime and the state.<sup>38</sup> For while the KMT government in Taiwan owed its survival to the

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<sup>36</sup> Cf. Juan J. Linz and Alfred Stepan (eds.), *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe*. (Baltimore, N. Y.: Johns Hopkins University Press)

<sup>37</sup> For example, as Laurence Whitehead pointed out, “Taiwan’s political status brings into sharp focus a series of questions concerning the connections linking democratization and regional security, democratization and the formation of a national identity, and democratization and the definition of state boundaries.” Laurence Whitehead, 1999, “The Democratization of Taiwan: A Comparative Perspective”, in Steve Tsang and Hung-mao Tien (eds.), *Democratization in Taiwan: Implications for China*, p. 168. (London: MacMillan Press Ltd.). Yun-han Chu attributed the existence of Taiwan’s on-going political malaise to the “unsettled sovereign status in the international system” and the “polarized conflict over national identity at home”. Yun-han Chu, 2007, “Taiwan’s Struggling Democracy”, p.2.

<sup>38</sup> These diplomatic setbacks include the loss of Taiwan’s/ROC’s UN seat to the PRC, Taiwan’s

U.S. Seventh Fleet during the Korean War, its legitimacy rested on the fiction that it was the government of all of China.<sup>39</sup> It also created one major structural constraint to Taiwan's relatively young democracy, that is, the "undecided status" of Taiwan. By "undecided", it is meant that while Taiwan is a *de facto* sovereign state, it is a question far from being settled as to whether Taiwan constitutes a separate country from the mainland China (as pro-independence proponents have argued), a province of the PRC (the official discourse of the Chinese government), or the home of the legitimate government of all China in exile (signified by the official name of Taiwan, "ROC").<sup>40</sup> From the perspective of Taiwan's international status, Christopher Hughes has conceptualized Taiwan as an "intermediate state".<sup>41</sup>

In the wake of Taiwan diplomatic crises, democratic struggles on the island became intertwined with the issues of national identity and cross-Strait relations. Jenn-hwan Wang's account of the political transition launched by Chiang Ching-kuo in 1972,<sup>42</sup> and Karl Shaw's exploration of the evolution of nationalism in the context of Taiwan's postwar democratic development<sup>43</sup> demonstrate well the intricate relationship between the democratic and nationalist movements in Taiwan. Indeed, that the aim of Chiang Ching-kuo's decision to launch a political transition in 1972 was to take in more local Taiwanese elites into the ruling echelon with a view to securing and indeed

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expulsion from all major international organizations, and the severance of Taiwan's formal relations with the major countries in the world. The change of Taiwan's status in the international system induced the legitimacy crisis to the KMT party-state mainly because the KMT's authoritarian rule was "legitimated" the party's status as the sole lawful representative of all of China. As Jenn-hwan Wang has argued, the political transition of the KMT government in 1972, against the background of Taiwan's diplomatic crises, was launched by Chiang Ching-kuo to tackle the legitimacy crisis that emerged as the result of the United States' decision to normalize its relations with the PRC and deny Taiwan's status as the lawful representative of the whole China in the international community. The foundation of the KMT's "external legitimacy", which relied almost solely upon America's recognition of and support for the regime, was thus eroded. Jenn-hwan Wang, 1989, "Political Transition and Oppositional Movement in Taiwan", *Taiwan: A Radical Quarterly in Social Studies*, Vol. 2, No. 1, Spring 1989, pp. 70-80; 90-4.

<sup>39</sup> Maurice Meisner, 1999, *Mao's China and After: A History of the People's Republic* (3<sup>rd</sup> edn.) (N. Y.: The Free Press), p. 529.

<sup>40</sup> Yun-han Chu, 2005, "Taiwan's Year of Stress", *Journal of Democracy*, Vol. 16, No. 2, April 2005, pp. 44-5.

<sup>41</sup> The term refers to Taiwan's national status in international society. It is a status between "independence from" and "unification with" the PRC. See Christopher Hughes, 1997, *Taiwan and Chinese Nationalism: national identity and status in international society*. (London: Routledge)

<sup>42</sup> Jenn-hwan Wang, 1989, "Political Transition and Oppositional Movement in Taiwan", *Taiwan: A Radical Quarterly in Social Studies*, Vol. 2, No. 1, Spring 1989.

<sup>43</sup> Carl Shaw, 2002, "Crafting a Civic Nation in Taiwan", paper presented at the conference "The Modern State Structure in the Chinese World", May 10- 12, 2002, London School of Economics and Political Science, United Kingdom; 2002, "Modulations of Nationalism Across the Taiwan Strait", *Issues & Studies*, Vol. 38, No. 2, June 2002, pp. 122-47.

strengthening the foundation of the KMT party-state's legitimacy on the island entails the background of the existence of a local Taiwanese society that had been hostile to the KMT.<sup>44</sup> In Shaw's narrative, a more direct relationship between the evolution of nationalism and development of political liberalization and democratization in Taiwan was established.<sup>45</sup>

In a setting of a relatively equitable society which was however facing a potential problem of divided national identity, Taiwan's liberal democratic movement progressed. Before the formation of the first opposition party in 1986 and the lifting of martial law in 1987, several important political movements had pushed the development of liberal democracy in Taiwan forwards, including the abortive "new party movement" led primarily by the active participant of Free China movement Lei Chen,<sup>46</sup> the first large mass demonstration during the period of martial law that took place in Chungli in 1977 to protest against the KMT government,<sup>47</sup> and the mass rally staged to mark the International Human Rights Day in Kaohsiung in 1979 that ended up with the violent crackdown by the KMT authorities.<sup>48</sup>

Overall, as one commentator has said, while the Kaohsiung Incident muted the expression of dissident views and mere public discussion of politics, it ultimately strengthened rather than weakened the opposition movement as the second generation of leaders emerged to fill the roles of senior figures now behind the bar.<sup>49</sup> The power of the ideal of democracy and the resilience of the opposition movement were vividly embodied in the incident, which had changed the course of Taiwan's democratic

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<sup>44</sup> See, for example, Jenn-hwan Wang, 1989, pp. 80-94.

<sup>45</sup> See Carl Shaw, 2002, pp. 128-9.

<sup>46</sup> Lei Chen, as mentioned above, was an active participant in the "Free China movement" in the 1960s who had been the key figure in building political cooperation between Chinese liberal intellectuals of *Free China* bimonthly and local Taiwanese political elites in the abortive "new party movement", which campaigned for the formation/legalization of new political parties at the late stage of Free China movement. The new party movement marked the most radical stage of the whole Free China era as it indeed tested the limits of the KMT's tolerance of the dissenting opinions published in *Free China*, which was banned as the result of its involvement in the new party movement.

<sup>47</sup> It was triggered by the rigged election for the Chief of Taoyuan County in northern Taiwan. It was widely believed that the KMT decided to cheat because it was aware that the Dangwai movement might mount a successful challenge to KMT candidates in light of its active participation in five local elections, including the election in Chungli City. See Chu & Lin, 2001.

<sup>48</sup> The event was commonly known as the "Kaohsiung (or Formosa) Incident". The mass rally turned into a violent confrontation between the participants and the riot police and was crushed with considerable force. The leaders of the rally were jailed and local expressions of dissent by Dangwai leaders were suppressed throughout Taiwan.

<sup>49</sup> Alan M. Wachman, 1994, *Taiwan: National Identity and Democratization* (Armonk, N. Y.: M. E. Sharpe), pp. 140-1.

development.<sup>50</sup> Perhaps to the surprise of the KMT, the arrest and imprisonment of the most prominent figures involved in the Kaohsiung Incident and their military trial attracted so much sympathy and support for their attorneys and relatives that they were elected to office. This made a deep impression on Chiang Ching-kuo, causing him to review the party's repressive policies and practices.<sup>51</sup> What should be noted is that, as commonly known, pressure from the United States also figured in the KMT's decision to embark on political reform. Yet America's support for limited democratization along Japanese lines in the latter half of the 1980s, after decades of consistently backing the anti-communist authoritarian regime, may have been anchored in the pressure exerted by domestic economic interests.<sup>52</sup>

Lee Teng-hui succeeded Chiang Ching-kuo as the leader of the party and the state after Chiang's death in 1988. Under the leadership of Lee, Taiwan's political liberalization and democratization moved further ahead. A series of constitutional reforms Lee's administration launched in the early 1990s were aimed to restore the 1947 constitution and establish democratic institutions whilst at the same time to consolidate his power as the leader of the KMT and Taiwan.<sup>53</sup> Power politics within and outside the KMT party is one popular and important perspective of explaining Lee Teng-hui's democratic reforms in the early 1990s.<sup>54</sup> Yet what is equally important for understanding Lee Teng-hui's need to implement democratic reform policies is the pressure brought about by the rapid economic development after Deng Xiaoping's "southern tour" in 1992.<sup>55</sup>

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<sup>50</sup> Nai-the Wu, 2000, "The power of human idea/spirit in the historical transformation : the Formosa Incident and Taiwan's Democratization", *Taiwan Political Studies Review*, 2000, Vol. 4.

<sup>51</sup> David Potter, 1997, "Democratization at the same time in South Korea and Taiwan", in D. Potter et al (eds.), *Democratization* (Cambridge: Polity Press), p. 233.

<sup>52</sup> Simply put, according to Potter, some democratization would mean a rise in wages, which had been kept down in Taiwan, an authoritarian developmental state, to maintain its competitive advantage in the global economy. *Ibid.*, p. 235.

<sup>53</sup> As Shaw's analysis pointed out, Lee's position as the successor to Chiang Ching-kuo was precarious in the beginning, encountering a series of challenges between 1988 and 1990. He had to secure his position as the interim KMT party chairman against the intervention of Madame Chiang, the wife of Chiang Kai-shek. Shaw provided a brief yet brilliant analysis of the process in which Lee Teng-hui gradually overcame the obstacles to the consolidation of his power. See Shaw, 2002, pp.130-2.

<sup>54</sup> See Carl Shaw, 2002, pp. 129-34; Cheng-liang Kuo, 1998, "The Lee Teng-hui Phenomenon: Democratic Transition and Political Leadership", in Hai-kuang Yin Foundation (ed.), *Democracy, Transition? Taiwan Phenomenon* (Taipei: Laureate Publishing Ltd.), pp. 103-37. Sechin Y. S. Chien and Jenn-hawn Wang, 1995, "March Towards a New Nation State? The Rise of Populist Authoritarianism in Taiwan and Its Implications for Democracy", *Taiwan: A Radical Quarterly in Social Studies*, No. 20, August 1995, pp. 17-55 (see particularly "4.2 Political Transition and the Construction of Nation State", pp. 35-42).

<sup>55</sup> Deng Xiaoping embarked on a five-week journey through southern China. He visited the cities of

Since China launched its economic reforms in the late 1980s, a time when Taiwan's democratic transition was gathering its pace, Taiwan's economy was affected by China's economic development, which was aimed to attract foreign capital/investment by providing cheaper land and labour forces. Taiwan's export-dependent economy was facing increasing pressure of competition due to the rising labour cost, the appreciation of the Taiwanese currency, pressure from environmental protection movements on the island. To put it differently, Taiwan was losing its competitive advantage to a rising China, which adopted similar developmental policies.

There thus emerged discussions and advocacies of “westward policy” (西進政策) and “southward policy” (南向政策), aimed to find a way for Taiwan's economic development to sustain, or more specifically, for the survival of the Taiwanese small-medium-sized business whose competitiveness realizes in particular on cheaper productive cost.<sup>56</sup> Facing the competition from China and China's claim over Taiwan, it was the belief of Lee Teng-hui's government that establishing Taiwan as a liberal democracy, in addition to crafting a civic nation (of Taiwan) on the island as Carl Shaw has pointed out, was an important way, and perhaps the only way, to “resist” against China's claim over Taiwan, at the same time to distinguish the KMT regime from the CCP regime with a view to drawing international support for Taiwan.

The implementation of a series of constitutional reform that were focused on democratizing the representative bodies at the central level and the holding of the first popular presidential election in 1996<sup>57</sup> have earned Lee Teng-hui the name of “the father of democracy” and established his position on Taiwan's postwar history of democracy. Yet Lee's “politics of de/legitimation”<sup>58</sup> and policy of

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Canton, Wuchang, and Shanghai as well as the special economic zones of Shenzhen and Zhuhai. At each stop, he exhorted local officials to accelerate economic development and to “deepen” market-oriented restructuring, praising the capitalism of the Shenzhen economic zone and the freewheeling market policies of Guangdong province as models for national emulation. Maurice Meisner, 1999, *Mao's China and After: A History of the People's Republic* (3 edn.) (N. Y.: The Free Press), p. 516.

<sup>56</sup> By the mid-1990, despite the political barriers, Taiwanese capitalists alone had invested more than US\$ 25 billion on the mainland, mostly in the Fujian province. Meisner, 1999, p. 458. For a critical discussion of the “westward policy” and “southward policy”, see Kuan-hsing Chen, 1994, “The Imperialist Eye: The Cultural Imaginary of a Sub-Empire and a Nation State”, *Taiwan: A Radical Quarterly in Social Studies*, No. 17, July 1994.

<sup>57</sup> Previously, under 1947 Constitution, presidents and vice presidents were elected by the deputies of the National Assembly.

<sup>58</sup> Lee Teng-hui's “politics of delegitimation” was considered to be driven partly by the urgent need to

“Taiwanization/localization of the KMT”<sup>59</sup>, together with the “money and mafia politics (commonly known as the “black and gold politics”)” in postauthoritarian Taiwan,<sup>60</sup> have been strongly criticized.

The peaceful power turnover between the KMT (the party that had been ruling Taiwan for more than five decades) and DPP (the first opposition party in postwar Taiwan) in the year 2000 presidential election, according to liberal democratic commentators, marked the end of democratic transition in Taiwan. Taiwan was entering the stage of democratic consolidation.<sup>61</sup> Yet Taiwan’s democratic development after 2000 is far from being consolidated. Whilst liberal democrats began to worry about the impact of the society’s divided national identity and political corruption on the consolidation of its democratic political institutions, democratic leftists, in addition to criticized the national identity politics, drew attention to the problem of growing social disparities and inequalities that was not addressed in the critical comments made by liberal democrats.<sup>62</sup>

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consolidate his power. For his position as the successor to Chiang Ching-kuo was precarious in the beginning. He encountered a series of challenges between 1988, when Chiang died, and 1990. He had to maintain his position as the interim KMT party leader against the intervention of Madame Chiang, the wife of Chiang Kai-shek, and challenges from his rivals within the party, primarily the veteran Chinese representatives in the central legislative bodies, who were later known as the non-mainstream faction. Lee completed the consolidation of his power by creating divisions in this faction and by “delegitimizing” the “(great) Chinese consciousness”, which was viewed as the main obstacle to Taiwan’s democratization, and all cultural-political practices that embodied this consciousness. See Cheng-liang Kuo, 1998, “The Lee Teng-hui Phenomenon”; Carl Shaw, 2002, “Modulations of Nationalism Across the Taiwan Strait”.

<sup>59</sup> The “Taiwanisation of the KMT”, commonly thought to be necessary for the KMT, a ‘foreign regime’ in the view of its critics, to gain political legitimacy as well as compete in elections with the DPP, can also be seen as part of Lee’s “politics of delegitimization”. The previous wave of Taiwanization of the KMT party-state was carried out under Chiang Ching-kuo in the early 1970s, when Taiwan suffered a series of diplomatic setbacks, in an attempt to reduce the sense of alienation from the state generated by his father Chiang Kai-shek. According to The-fu Huang’s analysis, the percentage of native Taiwanese elected to the KMT Central Committee raised from 6.1 percent during 1969-1976 to 14.6 percent during 1976-1981, 19.3 percent during 1981-1988, 34.4 percent during 1988-1993, and stood at 53.3 percent in 1996. See Huang, 1996, “Election and Evolution of Kuomintang”, in Hung-mao Tien (ed.), *Taiwan’s Electoral Politics and Democratic Transition* (Taipei: Institute for National Policy Research).

<sup>60</sup> Indeed, Taiwan’s democracy has been overshadowed by the “money and mafia politics”, which has its roots in local electoral practices and involves the corruptions occurring in the local factional politics. With the opening up of electoral competition, the pattern of corruption seen in the local level was quickly transmitted into national representative bodies. For a detailed discussion of Taiwan’s money politics, see Chu, 1996, “Taiwan’s Unique Challenge”, pp. 76-8; for a detailed analysis of the structured corruption in local politics, see Joseph Bosco, “Taiwan Factions: Guanxi, Patronage and the State in Local Politics”, in Murray Rubinstein (ed.), *The Other Taiwan: 1945 to the Present* (Armonk, N. Y.: M. E. Sharpe), pp. 114-44.

<sup>61</sup> The DPP’s unexpected victory in the 2000 presidential election is significant for two reasons. Firstly, it was Taiwan’s first ever democratic and peaceful regime transfer; secondly, political support for Taiwan independence among the population had grown.

<sup>62</sup> Key participants of and intellectuals/social activists revolve around the journal *Taiwan: A Radical*



The 2004 presidential election ended with the incumbent Chen Shui-bian, DPP leader and standard-bearer of the pro-independence “pan-Green camp”,<sup>63</sup> winning his second term. Yet controversy raged over a dramatic incident the day before the election in which Chen was injured by a pistol shot while waving regally to his supporters aboard a jeep in his hometown of Tainan. Since 2004, prominent observer, scholar and commentator of Taiwan’s democracy Yu-han Chu stated, governing challenges of “inconclusive and disputed electoral outcomes, endless partisan gridlock and bickering, recurring clashes over national identity, rampant corruption at the highest echelon, slower growth and foggy economic outlooks”, have put democracy in Taiwan under severe strain.<sup>64</sup> The problem issue of the enlarging wealth gap between the rich and the poor, a problem that would inevitably affect the quality and deepening of democracy and ultimately the public confidence in democracy, really should be added to the list of the challenges to Taiwan’s democracy.

### **III. China’s search for democracy**

Viewing from the perspective of neoauthoritarianism, as mentioned above, China can be said to have followed the developmental path of postwar Taiwan in that there in China exists an authoritarian developmental state, playing an active role in promoting economic growth, social stability and a middle class as the preconditions for, or at least positively correlated with, democracy. As discussed in details by Meisner, the “new authoritarians” argued that “the historical experience of the successful modernizing countries of East Asia- Meiji Japan, Taiwan, Singapore, and South Korea- demonstrated that the imperatives of modern economic development, especially the need to tame the masses and discipline the working population,

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*Quarterly in Social Studies (Taishe)* have self-proclaimed themselves as democratic leftists. Very briefly, they argue that “substantive democracy”, as opposed to “formal democracy”, cannot be achieved without the realization of social justice.

<sup>63</sup> Taiwan is divided politically into two color-coded blocs. On one side is the “pan-Green camp”, comprising two pro-independence forces: the DPP, in control of the executive since 2000, and its recently created ally, the Taiwan Solidarity Union (the TSU). On the other is the “pan-Blue camp”, composed of the KMT and a breakaway faction of it, the People First Party (the PFP), both identified with a tradition, now attenuated, claiming Taiwan to be the seat of the legitimate government of the whole of China, and still opposed to the idea of Taiwanese independence. For a brilliant comparative and historical analysis of Taiwan’s identity politics and democratic development, see Perry Anderson, 2004, “Stand-Off in Taiwan”, *London Review of Books*.

<sup>64</sup> Yun-han Chu, 2007, p. 2.

demanded a strong state and a powerful (and enlightened) ruler.”<sup>65</sup>

Yet, unlike what had happened in the Taiwanese case, much research on the relationship between economic development and political reform in China has pointed out that in the case of China economic liberalization has not led to political democratization. The military crackdown around the Tiananmen Square in June 1989 is perhaps the most-often cited example for showing the consistent effort by the CCP to maintain a Leninist one-party state and the CCP’s control of that system.<sup>66</sup> Similar assessment was made by Zheng Yongnian, arguing that the development of democracy in China cannot be understood by assessing liberalism as a result of economic development.<sup>67</sup> Contemporary China, argued Elizabeth Perry, thus provides a fascinating test case of one of the thorniest issues to preoccupy the social sciences: the relationship between economic and political reform.<sup>68</sup>

What also significantly distinguishes Taiwan’s experience and China’s trajectory of political developments, however, is that: whilst liberalism, as mentioned above, features Taiwan’s public culture, socialism has been an essential element of China’s

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<sup>65</sup> Maurice Meisner, 1999, *Mao’s China and After- A History of the People’s Republic* (3<sup>rd</sup> edn.) (N. Y.: The Free Press), p. 493.

<sup>66</sup> Timothy Cheek, 1998, “From Market to Democracy in China: Gaps in the Civil Society Model”, in Juan D. Lindau and Timothy Cheek (eds.), *Market Economics and Politics Change: Comparing China and Mexico* (Lanham, M. D.: Rowman & Littlefield), pp. 219-52. Cheek, in an attempt to show the necessity of some alternative approaches to the question of the link between economic and political reform for explaining the Chinese case, argued that: “Market forces mediated by current Chinese political culture are producing not a liberal democratic polity with independent entrepreneurs (or even very promising sign of this) but rather nomenklatura capitalism or socialist corporatism at the local level, ‘Janus-faced’ business associations that serve as a bridge between state and social interests, and an intellectual climate of dependent cooption rather than independent adversarial litigation.” In short, Timothy pointed out, there is no necessary teleology in these developments and there is no impetus for things to get worse or better, p. 221.

<sup>67</sup> Zheng Yongnian, 2004, *Will China Become Democratic? Elite, Class and Regime Transition* (Singapore: Eastern Universities Press); Chapter One, pp. 21-47. Presupposing an incompatibility between development and democracy, Zheng attributed the lack of political democratization in reform China to the dilemma facing the developmental state of China. “Whereas democracy tends to require that the state accommodate many competing demands”, Zheng argued, “effective performance of developmental functions pushes the state to stand above society in order to act as a rational agent of change.” (ibid., p. 31)

<sup>68</sup> It is so because, Perry explained, “[M]ost of general theorists of social change- whether Marxian or Weberian in inspiration- have implied a close linkage between economic liberalization and political democratization.” Moreover, “whether selecting the bourgeoisie, the urban middle class, or the voluntary associations of ‘civil society’ as their primary agent of change, comparativists tended to agree that free market create pressures for political freedom.” Yet what happened in China’s experience of political development has generated skepticism about drawing any facile connections between marketization and democratization. See Elizabeth J. Perry, 1993, “China in 1992- An Experiment in Neo-Authoritarianism”, *Asian Survey*, Vol. 33, No. 1, A Survey of Asia in 1992: Part I, Jan. 1993, p. 13.

public consciousness. In addition to socialism and developmentalism,<sup>69</sup> nationalism, like Taiwan, is also crucial to our understanding of China's political development. Indeed, as Lin Chun has commented "socialism, nationalism, and developmentalism as ideologies and processes were integrated into, and restrained by, one another." "Developmentalism", Lin continued, "thereby applies to a constitutive dimension of the Chinese project in its specific historical and international context- the developmental imperative in line with China's national purpose and social goals."<sup>70</sup>

By the mid-1980s, "building socialism with Chinese characteristics" was a primary theme in definitions of the CCP's task, displacing- although not eliminating- the "readjustment" emphasis of the early 1980s and the "four modernizations" of the 1970s. "Socialism with Chinese characteristics", as Townsend and Womack have noted, is extremely important in that it symbolizes China's separation from its revolutionary past and its future hopes.<sup>71</sup> The stress on socialism, however, reveals the reformers' determination to maintain their ideological legitimacy, which might be taken as the evidence of their inability to separate themselves from the Maoist path, hence the evidence of the continuity of the Maoist model of modernization.

Having said that, the policies and rhetoric that constitute socialism with Chinese characteristics, still, mark it as a confirmed, significant departure from the Maoist model, a mandate for sweeping policy changes and redefinition of what socialism in contemporary China entails. The policy changes include: the shift from ideological to material incentives; the dismantling of the commune system with a return to household farming; the expansion of opportunities for entrepreneurial activities; the freeing of some market transactions from bureaucratic controls; the new status and opportunities for intellectuals and professionals; the ever-widening opening to the international system; and the ambivalent, modest but still significant relaxation of dictatorial party controls in legal, academic, and other institutional spheres.<sup>72</sup>

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<sup>69</sup> The neoauthoritarian account of China's political development demonstrates the dimension of developmentalism in China's political ideology. Indeed, ever since the establishment of the PRC in 1949, national development has been central to the Chinese state's political project with a view primarily to maintaining national independence.

<sup>70</sup> Lin, 2006, p. 128.

<sup>71</sup> James R. Townsend and Brantly Womack, 1986, *Politics in China* (3<sup>rd</sup> edn.) (Boston: Little, Brown and Company), p. 394..

<sup>72</sup> *Ibid.*, pp. 395.

The most “striking” departure of Deng Xiaoping’s reform program from Maoist model is perhaps Deng’s “open door” policy. The move of China into the capitalist world of trade began in the last years of Mao period, following the rapprochement with the United States and Richard Nixon’s February 1972 visit to Beijing and Shanghai. The pace of foreign trade quickened under the Hua Guofeng regime; Deng Xiaoping’s market-oriented strategy of development and his “open door” policies greatly accelerated China’s integration into the world capitalist market.<sup>73</sup> Deng’s “open door” policies in general have yielded most of their anticipated economic benefits: the influx of foreign capital to finance industrial enterprises and various other modernization projects, the alleviation of chronic shortage of foreign exchange, greater access to the advanced scientific and industrial technology of Japan and Western countries, and employment for Chinese workers who would otherwise be unemployed.<sup>74</sup> Moreover, China has converted from a debt-free into a major debtor nation although China’s foreign debt, while large in absolute terms, remains relatively modest by world standards when measured either on a per capita basis or in terms of the size of the Chinese economy.<sup>75</sup>

The “open door” policy, specifically the policy to establish special economic zones,<sup>76</sup> not only redirected China’s development from the principle of “national self-reliance” but also from the path of socialism. Critically scrutinizing the policy, Meisner thought that the special economic zones were “embarrassment” from the outset, on both the socialist and nationalist grounds. They were embarrassment, according to Meisner, because at a time when the Chinese communist regime still felt a need to claim socialist credentials, the economies of the zones were frankly and indeed savagely capitalist. Moreover, the zones were places where Chinese workers were exploited by foreign capital and where Chinese servants catered privileged foreign residents.<sup>77</sup>

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<sup>73</sup> Between 1971 and 1974, China’s foreign trade more than trebled, most of it with non-Communist countries. From 1978 to 1988, foreign more than quadrupled, and then quadrupled again over the next six years, with Japan, Hong Kong, and the United States emerging as China’s leading trading partners. Meisner, 1999, pp. 456-7.

<sup>74</sup> Ibid., p. 458.

<sup>75</sup> Ibid., 459.

<sup>76</sup> The first special economic zone was established on the South China coast in 1979 near Hong Kong and the opposite Taiwan and others followed. Within a decade, the whole of the Chinese coast and selected inland regions were “opened.” For a summary of the origins and early history of the special economic zones, see Harry Harding, 1987, *China’s Second Revolution* (Washington, D. C.: Brookings Institution), pp. 163-71.

<sup>77</sup> In order to attract foreign capital, the special economic zones were offering foreign capitalist favorable conditions for the exploitation of the Chinese labor and the making of quick profits- along

Despite the critical scrutiny of the Chinese, the open door policy continued, and indeed appeared to be unstoppable—foreign investment in productive enterprises was also substantial, growing steadily if not spectacularly throughout the 1980s, then exploding into a frenzy of profit-seeking in the early 1990s. More foreign capital was invested in China in the year 1994 alone than in the entire decade ending in 1989.<sup>78</sup>

The inexpensive, disciplined and relatively educated labor is obviously the attractiveness of China to foreign investors. Equally attractive, is the “labor peace”, as demonstrated by the fact that workers are not allowed to organize trade unions, insured by the Chinese government. Deng and his successors’ insistence on “stability and unity” is appreciated by foreign investors. The emphasis of “stability and unity” indeed has served as the rationale of the Chinese regime’s authoritarian rule as well as and the slow pace of democratic reform, be it in the model of liberal or socialist democracy. As Elizabeth Perry has noted, the Fourteenth Party Congress in October 1992 reiterated in no uncertain terms the party’s dedication to market reforms, and reshuffled its top personnel so as to ensure that this commitment would honored. And yet, significant as these leadership changes were for the progress of market liberalization, they did not signal a parallel commitment to political reform. “Neo-authoritarianism in which a market economy thrives under the stern rule of a political strongman” Perry argued, “although officially anathema in China- was unofficial doctrine of the day.”<sup>79</sup>

The 1989 Tiananmen Square protests have commonly regarded as a significant event in contemporary China’s history of searching or struggling for democracy. Yet whilst many if not most observers, stressing China’s rapid economic growth and the improvement in the standard of living of most of the urban population, have argued that the crisis was caused by the contrast between the success of economic reform and the lack of political reform, some commentators have challenged such argument, attributing the cause of the crisis to the result of the shortcomings of the economic reform rather than of their success. Deng’s reforms generated excessive growth, as

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with amenities of life that foreign residents expect in a quasi-colonial setting. And that’s why Meisner saw the situation as the “revival of practices uncomfortably reminiscent of life in the foreign-dominated treaty ports during semi-colonial times.” Meisner, 1999, p. 457.

<sup>78</sup> Ibid., p. 458.

<sup>79</sup> Elizabeth J. Perry, 1993, “China in 1992—An Experiment in Neo-Authoritarianism”, *Asian Survey*, Vol. 33, No. 1, A Survey of Asia in 1992: Part I, Jan. 1993, pp. 12-3.

well as instability and inflation. As Marie-Claire Bergère, among others, has said: “[T]he students appealed to their compatriots to mobilise by demonstrating above all against the corruption and the rapid accumulation of wealth by public officials exploiting their positions for personal gain. In this the students hit the mark: the city dwellers were more concerned about inflation and its consequences<sup>80</sup> than about democracy”.<sup>81</sup> Yet the 1989 Tiananmen Square protest movement, viewed by Deng as “the counter-revolutionary rebellion”, is still generally regarded as a democratic movement by its sympathizers, which ended with the violent crackdown by the CCP regime.

Meisner has provided a brilliant yet critical comment on the political scene in post-Tiananmen China which deserves a lengthy quotation:

In the years following the Beijing massacre, well into the new decade, Chinese political and intellectual life was markedly more repressive than it had been during most of the 1980s. Persecution of political dissenters was harsher, the activities of the secret police more pervasive, jailings were more frequent, and Party censorship of newspapers, journals, books, and movies was more stringent. Yet despite the political repression- and perhaps partly because of it- social and economic life returned to “normalcy” with unseemly haste. China’s market reformers went about the business of promoting capitalist development as if nothing unusual had happened in 1989, and indeed with renewed ardour in the 1990s. It was remarkable, and remarkably depressing, how rapidly the intense political moral passions that had gone into the making of the Democratic

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<sup>80</sup> After the economic success in the 1980s, the economic reform undertaken by Deng came up against a series of difficulties in 1984 and 1985, that is, when it was expanded into the urban/ industrial sector. As the result of the more speedy and bolder capitalist restructuring, the influx of foreign capital, along with expansionist monetary policies, fueled an extraordinary high rate of industrial growth (21 percent in 1988). Yet at the same, Deng’s attempt at “price reform” resulted in fears of inflation in economy. The ravages of inflation on living standard were exacerbated by the austerity measures that the government introduced in the autumn of 1988 to “cool” down the “overheated” economy. Despite inflation, or sometimes because of it, some prospered, at least during the 1988 boom phase of the economic cycle. But for most, in a society where the gap between rich and poor was already widening with alarming speed, living standard deteriorated due to inflation and then fell even more rapidly because of the austerity measures the government adopted in late 1988 to stem inflation. See Meisner, 1999, pp. 491-93; brief discussion in Marie-Claire Bergère, 2003, “Tiananmen 1989”, in Jeffrey N. Wasserstrom (ed.), *Twentieth-Century China—New Approaches* (London: Routledge), p. 242;

<sup>81</sup> Marie-Claire Bergère, 2003, pp. 242-3. Referring to the instability marking the recent evolution of the newly industrializing countries in East Asia, many observers feel that after ten years of economic reform, China is as ready for democracy as Taiwan and South Korea are after four decades of “miraculous” growth. Bergère, however, raised doubts about this popular analysis made by many comparativists that the 1989 Tiananmen Square protest movement has the same motivations as the discontent of the new Taiwanese and Korean middle classes: economic growth. She suggested the need to tease out the factors other than a general desire for democracy that propelled the protestors, such as anti-corruption and social envy of the *nouvean riche*. (p. 242)

Movement faded and dissipated- submerged under government-promoted waves of consumerism and nationalism.<sup>82</sup>

Yet it was during this time of harsh political repression in the early 1990s that China made its most spectacular economic gains, which, it was soon revealed, gave China the world's third largest economy (in terms of gross output) and raised the specter of new superpower in the making. By the mid-1990s, the once seemingly utopian goal (set at the beginning of Deng era) of quadrupling the size of the Chinese economy over the twenty-year period 1980-2000 had already been exceeded. From 1991 to 1997, the average per annum increase of China's GDP was 11 percent, by far the most rapid rate of growth of any major economy in the world.<sup>83</sup> The economic results of the market-reform era inaugurated by Deng Xiaoping have been undoubtedly stunning; the social results of its capitalist development, however, have been less salutary.

Indeed, among the costs and consequences of capitalist development in post-Mao China has been environmental destruction on the most massive scale in human history. Yet the most distressing result of China's "socialist market system" has been the rapid growth of extreme social and economic inequality, hence the emergence of social polarization. As Meisner has pointed out, in less than two decades, China has been transformed from a relatively egalitarian society into one where the gap between the wealthy and the impoverished is among the widest and most visible in the world, a land far more inequitable from such celebrated models of Asian capitalism as Taiwan or South Korea.<sup>84</sup> The Gini coefficient of household income jumped from 0.33 in 1980 to 0.454 in 2003, surpassing not only most of the wealthy capitalist countries but also poor and transitional economies, including Russia.<sup>85</sup>

What should noted, however, is that certainly, the great majority of the Chinese people have materially benefited from the economic upsurge, and generally enjoy a higher standard of living than they did prior to the Deng era.<sup>86</sup> The reforms accomplished some of the boldest missions of socialism in China, of which the gigantic antipoverty project (the so-called 8-7 plan) announced in 1994 was only one example. Overall,

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<sup>82</sup> Meisner, 1999, p. 511.

<sup>83</sup> Ibid., pp. 517-8.

<sup>84</sup> Ibid., 533.

<sup>85</sup> The Chinese government admitted in a report to the Asian Development Bank conference in May 2002 that China had one of the world's greatest wealth gaps. Lin Chun, 2006, p. 8.

<sup>86</sup> Meisner, 1999, p. 532.

during the period of 1977 and 2003, China accounted for three-quarters of the global population lifted out of poverty.<sup>87</sup>

China's economy continues to grow when the time entered the twenty first century. Along with the nation's growing economic power is its increasing political influence in world political affairs. The good example in point, for this matter, is the call from the international community upon China, as Burma's leading trading partner, to exert its influence over the Burmese junta to stop the violence crackdown on the democratic demonstrations against the military rule. Insofar as China's democratic prospect is concerned, the aforementioned challenge of increasing socioeconomic inequality remains an important factor for the country's democratic development, not least the CCP government still rests, partly if not entirely, its legitimacy on socialism, the core value of which is (social) equality.

To fill the deepening ideological void created by the decline of socialism, the CCP regime since the early 1980s had been devoting enormous efforts to promoting nationalism and patriotism. The nationalist efforts were intensified by Jiang Zemin in the 1990s, when an increasingly chauvinistic nationalism became virtually the sole ideology of the Chinese Communist state. The recovery of Hong Kong to Chinese sovereignty on July 1, 1997, produced an outpouring of celebratory patriotic fervor- in the PRC and in overseas Chinese communities- not seen since the defeat of the Japanese invaders at the end of Second World War.<sup>88</sup> The reestablishment of Chinese sovereignty over Hong Kong left Taiwan, regarded by the Chinese government as "a renegade province of China", as the last significant barrier to full national unification.<sup>89</sup> The separation of Taiwan from the mainland however is a far more complex matter, historically and politically, than the termination of British colonialism in Hong Kong. Moreover, as soon as liberal democracy participated in defining the entity of Taiwan and a new Taiwanese nationalism, a crack appeared in the notion of a

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<sup>87</sup> In the words of the United Nations Development Program, the project "constitutes a commitment, rare among the world's nations, to basically eliminate absolute poverty by the end of the century". According to World Bank, the number of Chinese subsisting on less than \$1 a day had fallen from 490 million in 1981 to 88 million in 2003. In 1977, there were 250 million- or 37.4 percent of the total rural population- who remained below China's own subsistence line, whereas in 2003 they reduced to 50 million, of whom around 30 million were rural and 20 million emerged as the new urban poor. Lin, 2006, p. 7.

<sup>88</sup> Meisner, 1999, p. 525.

<sup>89</sup> *Ibid.*, pp. 526-32.



shared motherland with the mainland and in speculation on unification.<sup>90</sup> On the rise was actually the view of the island being on a par with the mainland, a separate “community of common destiny” with its own multilayered Taiwanese identity, in the form of either an independent state or an autonomous subnational region.<sup>91</sup>

In face with the legitimacy crisis caused by the decline of socialism, two other responses than nationalism and patriotism have been mentioned: one response was designed to push for further privatization to be carried out in a more fair and orderly manner along with other measures of deepening liberalization; the other was to press for political reforms to resume the sovereign place of the people along with their socioeconomic rights and participation in policymaking. The “democratic solution”, appealing to active citizenship, constituted a genuine challenge to the state and might work only through reforming the establishment within the boundaries of a socialist vision and policy formally safeguarded by the PRC constitution.<sup>92</sup> Indeed, it is the view that draws attention to contemporary China’s search for alternative modernity and suggests an alternative path to development for the country that should be taken seriously when both reflecting Taiwan’s experience of democratization and its democratic performance, and pondering the question as to whether the fourth wave of democratization will happen in China.

#### **IV. By way of conclusion: The fourth wave in China?**

Drawing on, yet by no means endorsing, Huntington’s argument put forward in his seminal book “The Third Wave”, this paper sets out to thinking about China’s democratic future through discussing Taiwan’s experience of democratization. Given the different size of China and Taiwan, and the different historical and intellectual contexts in which China and Taiwan have developed, it might be inappropriate to “compare” the two cases at all, let alone to predict China’s future political development on the basis of Taiwan’s trajectory of democratization. Taking the size of the state as example, in an era of globalization and in the loud cry for global convergence, China, with its continental size and huge population, is situated in a

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<sup>90</sup> See Thomas B. Gold, 1993, “Taiwan’s Quest for Identity in the Shadow of China”, in Steve Tsang (ed.), *In the Shadow of China: Political Development in Taiwan since 1949* (London: Hurst); Alan Wachman, 1994, *Taiwan: National Identity and Democratization* (Armonk, N. Y.: M. E. Sharpe)

<sup>91</sup> Christopher Hughes, 2000, “Post-Nationalist Taiwan”, in Michael Leifer (ed.), *Asian Nationalism* (London: Routledge).

<sup>92</sup> See Lin, 2006, 11.

possible position to search for the Chinese path to democracy, testing the limit of globalization. Besides, whilst socialism, though in decline, still functions as “the structure of feeling” of the Chinese, liberalism, though not fully established in the view of some liberals, has been the dominant political discourse in Taiwan. The effect of the ideological and intellectual difference between the mainland and the island could be “a crack” in the notion of a shared motherland with the mainland and in speculation on unification, as mentioned above.

(to be completed and send to you tomorrow morning)