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Present

Taiwan Elections 2004

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Dr. Larry Diamond

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Moderator:

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Introduction – Joseph Snyder, Asia Society:

Ladies and gentlemen, good afternoon. I think most of you have had a chance to get your food. If you have, you could get your drinks and deserts and have a seat, and we can get started. My name is Joe Snyder, I'm the executive director of Asia Society Washington Center, and on behalf of CSIS and the Brookings Institution and Asia Society, I'd like to welcome you all to this very timely program. The speakers of today's programs, the biographies are in the handouts that you received along with a list of participants in the audience in today's program, so I won't introduce them. But let me now turn over the program to the chairman of this panel, Dr. Bates Gill of CSIS. Bates.

Bates Gill:

Thank you very much Joe. And I want to extend our gratitude to our partners today, the Asia society and the Brookings Institution, Joe Snyder and Richard bush and their excellent staffs for joining with us at the freeman chair at CSIS to stage and organize today's event. We are looking forward to working with those partners in the future on a number of other events as well, and we will be continuing to focus on ongoing developments in Taiwan in the context of this very important election cycle.

What I like to try to do today to keep everyone's attention, and make sure we have a more lively discussion, is to try to carry this out in a talk show format. I'm going to ask each of our speakers to make some brief opening remarks, and then we are going to have a little bit of give and take here up at the dais for a while and beyond that, and then we'd like to open the floor up to our participants here to ask questions and engage in a discussion and Q&A here with our panelists. Without further ado, I'd like to turn the floor over to Professor Shelley Rigger, well known to all of us here as one of United States' most prominent specialists on the ground, politics, government issues in Taiwan, recently returned from there, and will be sharing with us her thoughts on the current political situation in Taiwan in the context of the election. Please, professor Rigger.

Shelley Rigger:

Well, thank you very much, it is a great pleasure to be here, especially to be appearing on a panel with my favorite academic role model, Larry Diamond, and my favorite diplomatic role model, Richard Bush. I'm not sure what I can be a model of, but I will do my best to offer a few thoughts very quickly, and then we'll move onto a couple of other presentations and then a discussion. So what I want to outline briefly at the beginning here are some of the themes of the presidential campaign in Taiwan and the general lais of the land, and leave some of the broader topics to Richard and Larry.

First of all, it is fair to say that the current standing of the two candidates, Chen Shui-Bian and Lien Chan, in the presidential election is so close as to be too close to call. Most of the polls put them within 5% of each other. Lien is consistently leading by between 3 to 10 points depending on which poll you look at, but they are very close, and some polls have them within the margin of error. Although I will say that Lien has held a pretty consistent lead all along, which suggests that even if they are within the margin of error, the ranking is correct. However, about 20% of the voters are still calling themselves undecided, so there is the possibility of a surprising result. In other words, we really don't

know who is going to win, which is of course the preferred position of any political scientist at any time. I cannot predict; please don't ask me to do so.

There are a couple of things about the election I think are interesting to anticipate and to look at as things unfold. First of all, many are anticipating a low turnout for this election, despite the fact that it is a very heated competition, and it has assumed a very high profile internationally. There is a high level of frustration, disappointment, and just general disgust with the state of political play in Taiwan. That may cause some voters to stay away. If that's the case, it will be interesting to think about whether lower turnout will be helpful to a predictable side or not, and there are arguments for and against all the different cases you can make there. On the issue of campaign themes, I'll start with Lien Chan. I think Lien Chan's campaign is centered around pointing out the relative shortage of accomplishments during Chen's administration for the past four years, and in particular Chen's rashness, this is how Lien would put it, and inexperience in managing international affairs and cross-strait relations. So these are really traditional KMT themes, that the DPP is not ready to govern. Lien is trying to make the case that, given the opportunity to govern, the DPP has not done so very successfully. So the traditional KMT theme, that the DPP is not ready to govern, is combined with another traditional KMT theme, that the DPP is a threat to Taiwan's security, and that the DPP is always pushing the envelope on international and cross strait issues in ways that endanger Taiwan.

In the recent presidential debate between these two candidates, Lien made a couple of points which I think illustrate where he is coming from with his campaign. First, he described Chen Shui-Bian as too ideological to govern rationally, which I thought was an interesting approach to take. And he also described his opponent as ignorant of and inexperienced in international affairs and cross-strait management. On a more positive note, I think the Lien campaign is taking a somewhat different approach to cross-strait economic relations than the Chen campaign is taking. I think Lien is emphasizing more the desirability of leveraging Taiwan's proximity, both its physical and cultural or also social proximity to the PRC, to build Taiwan's economic future. Chen Shui-Bian, for his part, is obviously emphasizing an alternative set of ideas. He is trying to paint Lien Chan as weak and backward looking, and to convince voters that a Pan-Blue administration will not be able to defend Taiwan or advance Taiwan in the future, both politically and economically, but especially in political terms. He has also tried to pin the blames for policy failures or the lack of policy progress over the last four years on the parliament, where the KMT/PFP have a majority, saying that it is obstructionism on the other side that has led to a disappointing output in terms of legislations and policy initiatives during his administration.

Again, on the positive side and looking at the economy, Chen has really tried to differentiate himself from Lien on economic vision and long term economic strategy, by emphasizing that Taiwan is not a staging area for China's economy, that it is not Taiwan's proximity to China that determines its future. Rather, in his view, it is Taiwan's centrality in Asia. In his debate, he said that Taiwan is definitely the economic center of Asia, and that it is by working from within and having a broad view of Taiwan's

economic possibilities in the region, not the leveraging of Taiwan's proximity to China, that will augur best for Taiwan's economic future.

Ok, just a couple of other observations about the election that I'm sure will come up. The idea of a new constitution for Taiwan, and the idea of a national referendum to be held concurrently with the Presidential election, I think were both conceived not entirely but substantially as strategic initiative aimed at enhancing Chen's chances of reelection. But both have turned out to be really Janis-faced in the context of the election. So the new constitution, while it's a very exciting prospect to Chen's core supporters, is deeply unsettling to many other constituencies both inside and outside Taiwan. So Chen is no longer talking about a new constitution, but is now using the language of constitutional reform, which I think suggests a strategic retreat from the new constitution initiative. And likewise, I think the idea of having a referendum, apart from the content of the referendum proposed before the voters, has not been as popular with the electorate as Chen had expected. So it is somewhat controversial whether or not they should persist and in what form with the referendum on March 20th.

The last point I want to make is about the U.S. role in this electoral process, which I think has been extremely large. I think that mixed messages from Washington, or at least messages that have been received in Taiwan in a way that leaves people open to mixed interpretation, have really confused political elites in Taiwan, and have affected the perceptions and calculations of voters. And particularly the gap between President Chen's reception in October, when he came to the U.S. on a transit visit, which was very positive... and in fact I was talking to a KMT strategist in early January, who said that after that visit, we believed that the cause of the Pan-Blue was hopeless, because we felt that Chen had received an endorsement from President Bush. When President Bush turned around in December with Wen Jiabao and rebuked President Chen, this was received with great surprise and confusion in Taiwan, at least according to all the people we spoke to in early January. I think the way the U.S. has dealt with Taiwan has really affected Taiwanese voters' assessment of the candidates' reputation and relations with the United States in ways that are very confusing, unsettling, and still unfolding. I will stop here.

Gill Thanks very much Shelley. If I may, maybe I can just ask a couple of issues as a follow up. You brought up the issue of the referendum. You spoke of the first referendum. Could you just give us some thoughts on the second question, the one that is talking about a new framework of cooperation with the Mainland, and how you see that as a new strategic measure for Chen Shui-Bian's reelection.

Rigger Yeah, I think at this point, the question in the referendum is almost compensatory. The referendum question itself turns out to be a very touchy subject with Beijing, with Washington and also with the voters. A lot of the voters in Taiwan are not sure that having this referendum is necessary politically. So when it came time to draft the actual questions, an attempt was made within the presidential office, I would surmise that's where the drafting was done, to make the questions as inoffensive as possible, and as conciliatory as possible. So the first question is to some extent aimed at the United

States. You know, to tell the US, yes, we do plan to buy the missiles, and it is also a dig at the legislature which has not appropriated money for the weapons purchase the last couple of years. And the second question is intended, whether or not anybody is receiving it this way in the Mainland, to be a conciliatory question: don't we all agree that we should be talking to the Mainland? It was also designed to undermine the Blue camp's claim that Chen is not interested in talking to the Mainland. On the other hand, if you look at Chen's proposal for a demilitarized zone, all these proposals about how to restart cross-strait relations after the election, they all required concessions on the part of Beijing which we have seen very little signs Beijing would make. So the sincerity of the proposal can be challenged from that direction.

Gill Thank you. And in fact, some signals in recent days of Beijing's hardening its position with regard to its more open approaches in the past towards Taiwan, so as you said, a very fluid, dynamic and uncertain situation. To provide some more context, I would like to turn the floor over to Larry Diamond, familiar again to all of you, a senior fellow at the Hoover Institution. We've asked Larry to give his thoughts on a more general set of questions, on democratization, on what is needed to bring about the proper political reform in Taiwan; does Taiwan need to be taking these steps; and on questions of national identity. Let me now turn the floor over to Larry. Please.

Diamond Thank you Bates, Richard, and the Asia Society, for organizing this and for inviting me. I must say, I feel a little bit awkward being here. I envy Shelley for having traveled there and followed this as closely as she always does. I have spent most of the past six months in Iraq, and I can't claim to be as immediately and fully knowledgeable about the ins and outs of the election campaigns as Shelley is. I never will have been, under any circumstance, but I'm at a further disadvantage now. I do have a wonderful Taiwanese American graduate student, by the way, who has been summarizing everything for me, whom I highly recommend to any of you who is looking for an assistant next year. In any case, let me offer a few observations.

First of all, let's go back to May of 2000. and let me just say a few very brief things. I thought after the last presidential election, and I'm going to phrase this as delicately and conservatively as I can, that although it was outside the realm of imagination to many observers, it was not outside the realm of imagination to me that some very surprising and exciting things would happen in these four years on a number of fronts, including on cross-strait relations. If you read Chen Shui-Bian's inaugural speech, which Richard can say much more about, on cross-strait relations, there were the five no's, there was a lot of restraint, and there was a lot of reaching out, rhetorically and otherwise, to Beijing, and it was not only in that speech, by the way. And there has been, and I'd like to emphasize this, failure of vision, trust, and imagination on both sides. And I think it's unfortunate that Beijing did not more fully pick up early on the kinds of signals Chen Shui-Bian was trying to send. And I think it's unfortunate, I'm just going to be candid here, that Chen and his advisors did not have the imagination to reach a little further and probe a little more energetically. I hoped that a breakthrough between a DPP government and the PRC government might have to some extent muted the issue that is still dominating this presidential election, as Shelley so incisively described, and that is the familiar issue of

national identity and cross-strait relations and so on. I had imagined four years ago that Taiwan, freed from this overwhelming polarization on this cluster of issues, might gravitate toward a more normal political system, one which would be a two-party dominance system, and in fact we are gravitating toward that, but with the cross-strait polarization.

There is a natural, and to Americans, familiar axis for this reorganization of the party system around issues that would pit one party as more to the left of the center, particularly on environmental issues, including the issue of nuclear power, but also on economic issues and social issues, and one party or alliance, now the Pan-Blue alliance, that would be more business friendly, and somewhat more socially and politically conservative. I still think, by the way, now completely parenthetically to this discussion, but I'd like to put it out there, that it is latent in this political process and system, achievable at some future date, and would be very healthy for Taiwan if it happened.

So there are really three issue dimensions we can broadly identify in Taiwan. One is the whole issue of national identity and cross-strait relations, the second is a whole cluster of economic and social issues that are basically what dominate in most advanced industrial democracies. As Taiwan increasing becomes an advanced industrial democracy, they are going to have to deal with the issues of pensions, social reform, benefits for people, and the question of how you adapt to higher levels of economic niche in the world economy and so on. And the third issue is deepening democracy, rooting out corruption, what Chen Shui-Bian called "black gold" in the last election, a familiar term in Taiwan, the penetration of criminal and corrupt elements into politics. These are issues that the DPP has historically been passionate about and embraced, and which have helped to power its rise to power for its resonance with the electorate. But the Pan-Blue has taken it up in a different way and tried to adapt. These have not been as present in this campaign as they were in 2000, but they are there. Unfortunately, and Shelley, maybe you can speak a little more about this when the floor comes back to you, one of the ways they have been present is in these charges and counter charges about each candidates' personal finances, campaign finances and party finances. Shelley was saying over lunch that many people are expecting a lower turnout this year. And one question I would put to you, Shelley, you were talking about the disappointment of this constituency, is whether some of that might not be, and again the familiarity for people who have lived through American election campaigns, some exhaustion with the low tones of this campaign, the mud that's flinging back and forth, people just getting tired of hearing about the finances of X, Y, and Z, and the cynicism it generates.

Now let me come to these deeper and longer-term issues of constitutional and political reform, and how they relate to the improvement, the deepening and consolidation of democracy. As a political scientist who has been interacting with a number of just superb political scientists in Taiwan, I can't say enough about the depth, the quality and the sophistication of this political science community, which we know is well represented in politics to a very high level. But I've learned a lot from them as they have learned a lot from theories, models, experiences and lessons around the world about some of the

institutional problems Taiwan has with its democracy now. I'm just going to take 3 or 4 more minutes to highlight these very briefly.

Before I do I want to say this: there are many types of institutional framework that can work for a democracy. I don't want to be understood as saying that if Taiwan does not at some point face this challenge of constitutional reform and institutional overhaul, its democracy cannot function well, cannot be stable, and will inevitably be heading towards crisis. But this is a country that has arrived at its current institutional framework in a very patchwork, piecemeal fashion of largely opportunistic constitutional reforms, which have created structures that are really seriously incoherent and prone to deadlock. And it is no accident that the DPP would be saying that our political reform agenda, our economic and social agenda has been deadlocked. Of course it has been! If you go back again to May 2000 and the whole unfolding of the last four years, the Pan-Blue felt, from a matter of constitutional principle, that president Chen, lacking a majority in the Legislative Yuan, was obligated to nominate someone that could get majority support in the parliament to be the premiere and organize the cabinet. And there was no effort to do that and to reach out, and there was a continuation of an effort to define a political system as really a presidential system. So this constitutional system in Taiwan, which in theory was meant to be a parliamentary system at its inception in Taiwan in 1949, and which Lee Teng-hui, through a series of actions and amendments, really took more and more toward a semi-presidential and defacto-presidential system, is now even more so a presidential system, but without some of the tools of presidential power, including for example the power of veto, that would make it more effectively so. Personally as a political scientist, I think Taiwan would be better off with a pure parliamentary system, or a pure presidential system, than this strange, awkward hybrid about which there is not a consensus on what it really is.

Then we can turn to the problem of the electoral system, which is a perennial subject of frustration among observers of democracy and political system in Taiwan. With the change of electoral system about eight or ten years ago, Taiwan is the only major country in the world that uses this electoral system for parliament of the single non-transferable vote. Most of you in the room probably know the problems and contradictions with this, the way it generates as much intra-party competition as competition between parties; the incentives it gives to the cultivation of personal and not very moderate constituencies; the extreme expense that people have to go to get elected in this system. It really is in need of reform.

I could speak to other issues that would be very legitimate targets for reform. The need to make the Control Yuan a more independent and effective institution, and the need, in my opinion, to create a separate counter corruption commission, because the Control Yuan I do not think has performed that task very well; the need to strengthen conflict of interest laws as they bear on members of parliament; the need to improve party and campaign finance laws. Not all of these things require constitutional amendment. But what needs to be bore in mind as we tread on this issue is that on the last constitutional amendments in 2000, the threshold of constitutional amendment was raised to a prohibitive level. You need a three quarters majority of parliament, and that triggers the election for national

assembly, and any amendments have to be approved by three-quarters of the national assembly. So it's a formidable task, and without overwhelming national consensus on what the parameters of constitutional reform will be, it won't be done. So I think it's just a non-starter for the future.

One last point I'd like to make is that there are two things that could be done, one particularly without a constitutional amendment, that I think would be a step forward. One member of parliament whom many of you know, Dr. Shen Fu-Hsiung, proposed a few years ago a change in the electoral system which could be done by preserving the existing electoral districts. If you preserve the existing electoral districts for parliament, you can change the way that members are elected within those districts. And moving to proportional representation within the existing districts, I personally think, would be an important step forward for Taiwan.

Second point, I think that the political system really suffers from the president's lack of a majority in the parliament. And if it's going to operate largely as a presidential system, then the chances of the president having a parliamentary majority should be enhanced. A simple way to do that would be to extend the term of parliament from three years to four years as a legal fact, and to have it be elected simultaneously as the presidency. If you have simultaneous elections, we know from much political science theory and experience, the party of the winning presidential candidate is much more likely to have a majority. And I would simply note that there is a window of opportunity mathematically that won't come again for a while. The current parliament, which is going to be elected in December 2004, will be up for reelection in the December of 2007, and you'll have a presidential election in March 2008. If you could just extend the term by 3 months, and elect them at the same time, and then reform it so the terms will be the same, you would achieve something non-trivial in terms of improving Taiwan democracy.

Gill Thanks very much Larry. Let me press you on one question. You said that some issues do not have to be resolved in terms of political and electoral reforms in Taiwan without having to go to a constitutional amendment. And you named some excellent examples of things that could be done. What in your mind, though, are the sorts of real constitutional reform that you'd like to see that would require amendment or some national effort to change the constitution, and how can that take place that's not going to create the kind of problems we may expect in cross-strait relations. Is there an easy answer to that

Diamond There really is no easy answer. I think that constitutional reform can be done. But only by lowering the temperature of partisan politics. I think it's only going to be accomplished as a result of a very broad inter-party deal. A lot of laws will have to be rolled back forth, and each side would get something significant. One of the promising elements about constitutional reform is that the two political camps have different visions about the executive structure and the methods of electing the parliament. If you cut a deal where each side gets something of what it wants on one issue, then the other side can get on the other issue, and you go down the list of issues including judicial reform and the structure of the Control Yuan, I think it is conceivable, if there was a long period of inter-

party dialogue and give and take, that you could get an agreement on a public commitment to a defined agenda of constitutional reform, which would only look at these specific issues, and which would mandate the national assembly not to address the explosive issues of the name of the country and so on.

There have been other constitutional conferences and national assembly meetings, in which reforms and amendments have been adopted and these issues have been left off the table. So it is not inconceivable that that could happen again. But again, it would be more plausible that that could go forward if somehow the temperature of the interaction between Taiwan and the mainland were reduced, so that the mainland didn't perceive a future effort at limited constitutional reform as an effort by stealth to address other issues.

Gill It's a good point, trying to address structural issues rather than those of identity, at least to get the ball rolling. It strikes me, though, as constitutional reform and revision presumably shouldn't occur all that often, that there will be a lot of pressure, as the constitutional reform gets underway, among some parties to get into the sensitive issues, because it may be their "last chance" for a while. [to Shelley Rigger] would you like to just speak to some of the points Larry raised about the mud slinging that's going on now, and how that might affect the turnout?

Rigger I completely agree with Larry's analysis here. I think it is easy to be critical of the campaign for a new constitution in Taiwan because it is easy to construct that effort as a cynical vote-grabbing and power-grabbing strategy by a devious politician. But in fact, as Larry laid out very nicely, there are real, serious and profound structural problems in the Taiwanese political system that grow out of cynical constitutional reforms by a different politician as an effort to enhance his power. So the desire to reform this constitution is genuine, and we have to acknowledge the sincere and authentic concerns that are being expressed, and not simply dismiss this as a cynical ploy by Chen Shui-Bian to pursue independence by other means.

I also would agree that, indeed, the mud slinging in this campaign, the whole tenor of this campaign has demoralized people. And one way we know that this exhaustion with the low tone of the campaign, to use Larry's words, is real, is that some of the people who are mobilized late in the game last time around in 2000 to support president Chen, and provided last minute endorsements that many analysts and observers believe made the difference between not being elected and being elected, have either not supported him this time around, or not supported him very publicly, or, in some cases, have even signaled to the electorate that they are un-endorsing him. And one person in particular is Lee Yuan-Tseh, the president of Academia Sinica, who last time around endorsed Chen in the last days of the campaign. And that was a very powerful endorsement for Chen. This time around, he signed on to a newspaper advertisement with a couple of other people of similar stature, in which he criticized both political campaigns for the mudslinging and the low tone and the failure to address meaningful issues. The authors of this ad singled out the failure to engage seriously cross-strait policy initiative as one of the weaknesses of the presidential candidates in this campaign. The ad was even-handed. It was aimed at both Lien Chan and Chen Shui-Bian. But when it comes from someone

who gave a high-profile endorsement the last time around, it has to be interpreted to some extent as a retreat or withdrawal from that stance in this election year. And I think that's further supported by the fact that, of all the issues that were singled out, one that applied really to Chen but not to Lien was this issue of raising cross-strait issues in a responsible way. So that's evidence that there are people who last time around wanted to give Chen the benefit of the doubt, wanted to give the DPP a chance to govern, this time around are trying to signal some disappointment and some disaffection with this president.

Gill Thanks very much, Shelley. We still have some words of wisdom to get from Richard Bush, senior fellow at the Brookings Institution, the director of the Center for Northeast Asian Policy Studies, who recently returned from the Mainland, as well as from Taiwan, I believe, and is going to share with us some thoughts on what he learned when he was there.

Bush Actually my fellow traveler, Bonnie Glaser, went to Taiwan and I didn't. I just did the mainland part. Thank you very much Bates for CSIS' contribution, thanks to Joe Snyder for Asia Society's participation, and thanks to the staff of all three organizations. As Bates said, I am going to talk about PRC views of what are going on. One of the worst jobs in the world right now is to be a PRC analyst of Taiwan politics. Because you have your leaders breathing down your neck, asking, "who's going to win, who's going to win? Taiwan's the third rail of PRC politics, and if the result goes the wrong way, I'm in big trouble, so you got to tell me who's going to win."

In our trip, Bonnie and I, in talking to a number of Taiwan analysts, found that no one was willing to make a categorical response. This is not because these are not good analysts. These are people who work very hard at understanding Taiwan politics. I think that field has grown tremendously in the last 20 years, and there are a number of very good journals where all kinds of issues are analyzed. You can find, for example, a good article about how the Legislative Yuan in Taiwan operates; you can find a good discussion of the multi-member district, single non-transferable votes system. These are savvy people. But when it comes to this issue, people are very cautious. Most Taiwan analysts in the PRC were wrong in 2000, and I'm prepared to admit that, up until about March 1st in 2000, I thought Lien Chan was going to win, and it worked out the other way.

The official line in Beijing is: "we don't care, we're ready for anything." But if one pushes these people to make a guess as to who is going to win, as Bonnie and I did, if you listen between the lines in their analysis, then at least in early January, a majority would say that the Pan-Blues are going to win. These analysts cited several reasons for coming to that conclusion, and their reasons illuminate the way they think about Taiwan politics. First of all is the simple fact that this time the Pan-Blue is united, and in 2000 it was divided. Secondly, they look at different groups of voters, and try to infer, from what those voters think, how they will vote. First, they look at ordinary voters, and infer that most people are focused on their economic interests, and want responsible leaders. That, in their mind, works to the advantage of the Pan-Blue. They look at voters in Taiwan who they assume care about the management of good relations with the United States, and

who have seen the U.S. criticism of Chen Shui-Bian over the defensive referendum, and that works to the Pan-Blue's advantage. They look at middle voters in general, and the fact that the Pan-Blue, in its electoral tactics, have tried to dominate the middle to keep Chen Shui-Bian on the wings, and that works to the Pan-Blue's advantage. They believe that businesses will not support president Chen to the degree that they did last time. And they tend to think that, when it comes to turnout, the Pan-Blue probably has the advantage. One can question the methods by which they do this analysis and inference, but this is the line of thinking.

There are analysts, by the way, who point to factors that might produce a Pan-Green victory. Number one, Chen Shui-Bian is a very skillful campaigner. He is very good at controlling the agenda, is good at manipulating the media to his advantage, and one has to say that these factors will be particularly important in the latter days of the campaign.

So a majority believes that Pan-Blue will win, and a minority believes the Pan-Green might win. Ironically, more attention is being given to the implications of a Green victory and what to do about it, than a blue victory. That, of course, is because the risks that come with a Green victory, as they see it, are so great that have to pay attention. I think that this time China will not be surprised if Chen is reelected, but there is already extreme anxiety about what may follow. Analysts and policy makers are united in their view that president Chen's goal is to permanently separate Taiwan from China, and they list a series of actions and statements that they believe justifies that conclusion. And the one they keep coming back to is the timetable for constitutional reform through a referendum that he outlined last fall. Analysts, as you might imagine, will not acknowledge that Beijing perhaps bears some responsibility for the situation which we have today, as I think it does.

The only question for Beijing, in this situation, is whether there would be any obstacles to prevent president Chen from achieving his goals: obstacles within the Taiwan system? Blocking by the United States? Or does China have to stop what they see as a dangerous trend? Beijing is fearful of a series of cascading events that they believe will likely occur following a Chen victory: the splinting of the KMT, the collapse of the PFP, and following that, there will be pan-green victory in the legislative elections that Larry mentioned in December of this year. Once that happens, once the balance of power within the Taiwan political system has been fixed in favor of the Pan-Green, then the process of constitutional revision, they believe, will begin in earnest. And there is concern that this new constitutional will drop the name of the Republic of China, and will change the national boundaries.

PRC analysts of Taiwan politics look at the situations that will develop over the next months. They have their guesses, but they know it can go either way. One outcome creates the possibility of stabilizing cross-strait relations at least, if not moving towards the resolution of the issue. The other creates great uncertainty and fluidity both within Taiwan and between Taiwan and the PRC. Thank you.

Gill Thank you very much Richard. Let me press you on a couple of points here. Having been over there in China, and having spoken to these analysts, a two part question on the way they approach the issue of examining electoral politics and democratization: one you might call the near-term science. Are there gaps, indicators they are not looking at, are there flaws in the way that they are interpreting the data, if you will, in what we might call the art of interpreting. What sense do you have of their recognition, acknowledgement, understanding of where the democratization process is leading Taiwan for the future, and any understanding that they may need to live with and tolerate, and learn how to live within this dynamic democratization process in Taiwan, and the way they can avoid conflict?

Bush Those are very good questions, thank you. Let me take a stab at them. First of all, with respect to the science of this, I would note a couple of things. First of all, I think there is sometimes a tendency to draw conclusions from data that is really not apposite or relevant in thinking about turnout for this election. There is a tendency to base their assessment on the turnout for the December of the 2001 election of the Legislative Yuan and the local magistrates. That may or may not be a good basis on which to make a judgment. Secondly, I would say that looking at the evidence that are cited in some of these articles, it appears that PRC analysts of Taiwan politics tend to rely for data on newspapers that they associate with the Pan-Blue, the Lienhebao and the Zhongguoshibao (China Times). Now, these are very good papers, I'm not casting aspersions on the United Daily. I didn't see anybody from the China times, but the same applies. But I would be more comfortable if there were also citations from Nadia's paper or James Wong's paper, because that gives you a flavor of Taiwan politics that you don't always get in the Lienhebao and the Zhongguoshibao.

On the issue of the art of this, here I think there is probably more of a failing. My main example of this is the limited understanding analysts have about the emergence of the Taiwanese identity, which I think is a very powerful force in Taiwan politics today. I don't think a Taiwan identity necessarily excludes a Chinese identity, but unless you understand the former, you are not going to understand the big picture. One analysis I saw, the author said that the Taiwan people had their Chinese identity strengthened during the years of Chiang Kai-Shek and Chiang Ching-kuo. Most independent scholars believe just the opposite, that it was the repression of those years that created the Taiwan identity, that it was invented in that cauldron of repression. Secondly, this analysis offered that the Chinese identity was shaken by the PRC progress during the 70's and 80's economically and diplomatically. That's probably true of Mainlanders, but not Taiwanese. Third, the conclusion was drawn that the Taiwan identity was fostered and manipulated by Taidu (Taiwan independence) politicians. Most scholars, I think, would say that democratization allowed Taiwan identity to emerge. There was some manipulation, but the important thing is that the identity itself could come to the fore. So to extrapolate from that analysis to your question, they don't understand so much the art of Taiwan politics, and it's perhaps not going to be easy to accommodate this new reality.

Gill Thanks very much Richard. That was a very interesting response and analysis of what's happening on the Mainland. For the next couple of minutes I want to turn the floor

over one more time to our speakers for a couple of other issues, and then we will open up the floor. Larry, if I may... Richard was just talking about the situation on the ground and the ability to read more carefully and accurately how the Taiwan people is perceiving the democratization process, and how they are viewing this electoral process. This is such an electoral issue, and if I understand correctly, you might be able to help us out with some recent data, survey that you've been looking at on the question of how the Taiwan people are viewing the democratization process, and what they see as the art.

Diamond Let me say a couple of things. First of all, on the data we have assembled in Taiwan, based at National Taiwan University, and the New Institute of Political Science at Lee Yuan-Tseh's Academia Sinica, the headquarters of a very exciting new project called the East Asia barometer, which is looking at attitudes and values towards democracy, now in about ten Asian countries, with Taiwan taking the lead in conceptualizing and organizing this.

And the data we have from Taiwan shows that people in Taiwan have tremendous confidence in elections. Even the losers in elections, quite substantially, think they are free and fair. They also perceive frankly a significantly decline in some of the malpractices of the past including vote buying. But there is in Taiwan, as there are in most democracies including ours, quite a lot of distrust of major political institutions, in particular political parties and parliament. And I'd say low levels of trust in parties and parliament have gotten lower in recent years. And that may be another thing preceding the potential decline in voter turnout, which again would be a familiar trend across advanced industrial democracies. There has been some erosion, which needs careful watching and analysis of the overall level of support for democracy in Taiwan. It's not as strong as in some Asian countries. There is this oscillation and skepticism in the Taiwan public but, I would say, not about democratic values. Because if you ask the question: would you prefer to get rid of the parliament, and just have a strong leader rule the country, or would you prefer that there be only one political party, as in other Asian countries, and as in most established democracies, overwhelming majorities of the Taiwan public reject other alternatives to democracy. But there is this skepticism and ambivalence about the way their democracy is functioning, and declines in satisfaction with the way democracy is functioning.

Now, let me turn this around and pose two questions to Richard, if I can. We have another set of polls, probably the best trend line public opinion survey data in Asia on any question over the last fifteen years or so, is which of these three options or five options do you support: Immediate reunification, status quo now and reunification later, status quo indefinitely, status quo now and independence later, or independence immediately. And Shelley, and Richard as well probably have better command of what these polls are telling us the last three months. But if you look at this trend line over time, the percentage of people in Taiwan who are ready for independence fairly soon, the last time I saw, was still small enough, and the overall prudence of the Taiwan public about the need, no matter what's in their heart, to preserve the status quo. And if you factor that in with the threshold of the constitutional amendment, which is formidable, I don't care if the DPP captures 55% of the seats in the next LY election in December, there is no way

on their own that they are going to be able to even trigger a process that can consider constitutional amendment, not to mention adopt the constitutional amendments. This constitution cannot be amended without very broad multi-party consensus. So my questions to you is, given those two facts, given what I think the public opinion polls are continuing to show about the recognition of the need for prudence and the status quo, and given the difficulty of amending the constitution, why is Beijing so panicked about the future?

Bush First on the polls, I think the trends they show are basically correct, but I never thought that the questions were very good. Because what is meant by the status quo? And how is unification defined? Is it one country two systems? Unless you have answers to this question it's impossible to know. I think that Beijing's panic, if you call it that, is because they don't have confidence in the checks in the system to a quick rush to a new constitution. And they also see Chen talking fairly frankly about the existence of those checks and a need to design another way – the referendum – to enlist the popular will on this question. I think that they see a momentum being built, beginning with March 20, that would wipe some of these checks away.

Gill [to Shelley Rigger] Would you like to chime in on this?

Rigger I think that last point is exactly right. There is a lot of buzz in Taipei about ways to go outside the system or outside that very cumbersome constitutional process to get a constitutional reform, which until recently was discussed in the rhetoric of a new constitution. Part of the problem is that there is no confidence in Beijing that, with a sufficient majority either among the public or within the institutions, that the DPP under Chen's leadership might not undertake an extra-constitutional process that would bring about this new constitution. And part of the reason they are worried about that is that people in Taipei talk about that a lot. People at very high levels will tell you: we have three options for constitutional reform, one is to go through the legislature; one is to get the legislature to amend the law so that it's easier to change the constitution; and the other one is to go in under article two of the current constitution, which says there's popular sovereignty in Taiwan, which we interpret to mean that if people want a new constitution, they can have one.

And when you have people talking like that in the presidential office building, it is understandable that that stimulates anxiety. I think one of the reasons is that, on the one hand, you have this incredible prudence about cross-strait issues in particular, but on the other hand, information is not always available to the Taiwanese as it needs to be in order for them to understand what level of prudence is required. So there is a great deal of discussion about things like changing Taiwan's military posture to be more offensive, which I think most American analysts believe is not a prudent stance. But it enters into the discourse in Taiwan as a legitimate topic of discussion and one that people in the legislature and the defense committees are willing to engage with. So I think it's more a matter of information. But then finally on your first point, I totally agree with Richard that we don't really know very much about public opinion on Taiwan independence. If we look at those surveys that ask the question: on a scale of 1 to 5, 1 being unification

tomorrow, 5 being independence tomorrow, where do you place yourself? Because for the people in Taiwan, this is actually not a dichotomous question on which their answers are an unambiguous yes or no, or neither.

There's been some very interesting work done also out of the national Taiwan university, posing this question as a conditional question: if it were possible to achieve independence without a military response from the PRC, would you like to be independent? If the PRC and Taiwan were similar in terms of their political, economic and social system, would you be willing to support reunification? And what you'd find is, a great many people in Taiwan, and I won't cite a figure because the most recent data I've seen on this is a couple years old, but a couple of years ago, it was something like a third said yes to both questions, so they were pro-independence AND pro-reunification, depending upon the context in which that policy initiative is taken. So I think when we see independence and reunification as this polarizing phenomenon, we are really missing a very important substratum of preferences that could be mobilized in support of different policy options under different conditions.

Diamond I'd like to put on my political science hat here, and talk for a minute about democratic consolidation. The most essential indicator of the consolidation of a democracy, and I would say the core foundation of the stability of a democracy, is a broad consensus of the rules of the political game. If we no longer have a consensus on what is required to amend the constitution, and I've been concerned about this movement, hoping it was a mainly a political, election ploy... if there is going to be an effort, depending on the electoral outcome in March, to move toward a constitutional revision process outside of the constitutional procedures for doing so... you can use the words extra-constitutional, I prefer to use the word unconstitutional... If there is going to be an effort to amend the constitution, or rewrite the constitution, by unconstitutional means, I'd say that that would be a profound challenge to the consolidation of democracy in Taiwan. I'm going to be blunt here. I think it would be a profound violation of the spirit of democracy in Taiwan, and I think it would lead to a really deep political crisis in Taiwan before we ever get to a political crisis across the strait. And I'm just going to say flatly, that I don't think it'll happen.

Gill Thanks very much. Let me ask our panelists one more quick question. I'm reminded of the event yesterday where Ralph Nader announced his candidacy, arguing that the republicans and the democrats are basically the same party and they don't make any difference. So let me ask our panelists, does it matter whether Pan-Blue or Pan-Green wins? And if so, Why? What can we expect in the next year or so under a Pan-Blue versus a Pan-Green government, both in terms of domestic politics and looking across the strait? Would you take that first, Richard?

Bush I think it makes quite a bit of difference. I think the two parties are offering a real choice to the Taiwan public. Any voter who looks a little bit to find out what the difference are can reveal those to him or herself. And both speak to different sides of the Taiwanese brain and different sets of priorities about how pursue the island's interest.

Gill Shelley?

Rigger maybe I'll take Richard's topic for a second and just say, yes it matters, and not least because it matters greatly to the PRC. A couple of years ago I was worried that if the KMT came back in power in the executive branch, since they are in power in the legislature, would leaders in Beijing have unrealistic expectations for the kind of concessions that Blue camp leaders would be willing to make. And I no longer have that anxiety, Richard you can correct me if I'm wrong. But I think they are a lot more realistic and understand better what the Blue camp can offer. My sense is that they are willing to come some distance in order to meet Blue camp leaders and get some kind of more congenial relationship across strait going. I do not believe that they will budge one millimeter from where they are to meet Chen Shui-Bian. And one of the things that Chen's supporters and co-partisans say a lot is, look, if we are reelected, they are going to have to engage with us. And perhaps they are right. I'm sure they know many things that I don't know. But I will say that I don't see it from Beijing. I don't see this inevitability of giving in to Chen Shui-Bian if he wins again. So I think it matters. If Chen wins, we get four more years of stasis and paralysis with the PRC with the military balance shifting, and all of the things that stimulates in terms of arms race and changing relationships with the United States and so on. Whereas if the Blue camp wins, I think that the PRC will actually come off its points a little bit to try to get something started.

Diamond I agree with what both speakers have said, each in their own way. And I would add that, I think a lot of Taiwan voters think it still does matter in terms of domestic issues as well, including some of the issues I talked about such as democratic reform. And I think that voters who care about the future of democracy in Taiwan, and I know some of them won't agree with one another about this. Some of them think the DPP has historically been the party pressing democratizing reforms, including transition to democracy, the campaign against black-gold, and all of the merging of corruption and criminal penetration in politics. And it is my impression, Shelley could say much more about this, that the justice minister, Chen Ding-nan, has really done some significant things in this regard, that perhaps are not sufficiently understood outside of Taiwan. So there are a lot of people that will think this matters in terms of carrying democratization forward. On the other side, there are people who will worry about what we were just talking about: if the president is reelected, will this lead to a push to somehow change the constitution in ways that were not anticipated in the constitution?

Gill Thanks very much to all of our speakers, and thanks to all of you for so patiently listening. I know there will be many issues and questions you'll all want to raise. We have about 20 or... eight? So why don't I just ask you to raise your hand and that way I can recognize you, and we'll have a microphone brought over. Please identify yourself, and maybe even direct your questions to an individual may make it a little easier as well.

Q Michael Fonte [question inaudible]

Bush I think this is right. This is the normal game of politics, of defining which issue is salient maintaining the agenda, I guess the question I would have is, what's the likely

impact of this. Does this just reinforce the attitudes of the people who are going to vote for president Chen anyway? Does it help him with his turnout problem? If he has a turnout problem? Or is it really grabbing the attention of people who haven't made up their mind?

Rigger I think that's right. I think it's important to acknowledge the full spectrum of electorate in Taiwan, which includes a very strong component of people who are passionate supporters of the DPP and Chen Shui-Bian, and includes a somewhat smaller proportion who are passionate supporters of KMT and DPP. So, in a way, how this election turns out will partially reflect the degree to which the intensity of the preferences versus the extensiveness of the preferences wins the day.

Gill Thanks very much. I have a short list going ahead here. I'd like to turn the floor over to Michael Swaine, who just had an article on some of these issues in Foreign Affairs.

Q Michael Swaine, Carnegie Endowment. I guess it's a question for anybody. It's really trying to ask to what degree you think the center of views in Taiwan has changed on the question of cross-strait dialogue. I remember two years ago, Shelley, we had a conference up on the hill talking about Taiwan. And I asked you then, if you think it's feasible if the Pan-Blue were to regain power, that they would try to revitalize in some way the 1992 consensus, or use some kind of version of that... not defining what "One China" is, to get negotiations going again with the Mainland. My own sense is that the center of politics has shifted. The Pan-Blue is not comfortable with that kind of position any longer. It's been forced, or believes it can't really pursue that kind of option as much as it might have thought in the past. Do you agree with that? How would you characterize the shift in the center of politics?

Rigger I think the Pan-Blue really feels under the gun in this election, very shy about using words like the '92 consensus. I mean the '92 consensus is taboo for the Pan-Blue campaign, because it is a kind of buzzword that the DPP can glom (? Inaudible) onto and use to tar the Blue camp. On the other hand though, my sense is that they expect a short-term breakthrough, or a "breakthrough-let", on cross-strait relations after the election to be very positive for cementing their mandate. Because there's a lot of anxiety about the economy in Taiwan, and there's a lot of anxieties about the future. There are a great number of people who are not at all convinced that there isn't a kind of historical inevitability at work here which is not going Taiwan's way. And there are people convinced of that in the Mainland, and there are also people who are convinced of that in Taiwan. And while I think the number of people who go back and forth is as high as some people would have us believe, I think it's significant, and I think it's very significant for young people in Taiwan. College students believe they will engage China in their lifetimes, either professionally or residentially. In some way, they are going to have to deal with the Mainland. So I think it's a complicated picture.

And the KMT believes that they can leverage and benefit from that if they can get something going after the election. So you have Lien Chan in the presidential debate: the questioner tries to get him say '92 consensus, and he talks for 5 minutes without saying

the '92 consensus. He mentioned many years in the 1990's, but never 1992. [Laughter] But, he says, as for the one China principle, that's not what we want to emphasize. What we want to emphasize that the two sides of the Taiwan Strait should treat each other peacefully and equally with mutual respect. Under such a principle, if you want to emphasize the one China principle, then I can tell you that the one China principle refers to the Republic of China. And here is the key. In fact, it was with such attitude and understanding that the two sides of the Strait have been able to conduct various kinds of talks from 1988 to 1995. So the answer is yes, the 1992 consensus is alive and well, and hiding between the lines of the Pan-Blue statement. [Laughter]

Bush Michael, I think this illustrates the political albatross that these shibboleths¹ represent for Lien Chan. And I think Beijing would help itself by just saying: "we're not going to set preconditions for the resumption of dialogue with the Pan-Blue government."

Q: Nancy Bernkopf Tucker, Georgetown University. I think Richard was talking about PRC concerns about what happens after the election, and I want to come back to that question. Let's say that the DPP were to win, what then happens to the KMT and the PFP? In some ways, though I have no interest in whichever wins, it does seem to me that this would finally force the KMT to actually reform and change. Does it mean that we see the KMT and the PFP collapsing and yet something completely different? Or does Ma Ying-jeou take over? What actually does happen in terms of reform? Do you have any sense of where the future is for Pan-Blue if it loses?

[Panelists glance at each other, silent, audience laughs]

Rigger A short answer to Nancy's question, No.

Diamond Not having been shy so far, I won't be so now. I think that if Pan-Blue loses. Lien Chan and James Soong will permanently retire from politics, the two parties will merge, and Ma Ying-jeou will become the Chairman. I think he will then become the presidential candidate of Pan-Blue in all but name for four years later. And my advice would be, don't dismiss him. He came very close to becoming the presidential candidate of the Pan-Blue for 2004. And there's a very interesting story to be told about how this ticket came together. It wasn't inevitable that it would have come together. And there were many people in the Pan-Blue who would have preferred Ma Ying-jeou. And I think that this is beyond individuals. There is a history here, there is a philosophy here, and there is a set of interests here, and I don't think this political force, fragmented as it is now, is simply going to splinter into disarray just because they lose another presidential election.

Bush A critical question, though, is how do they manage nominations for the Legislative Yuan elections in December 2004. If they can fit the number of nominees to their support, they can maintain control of the legislature. If they screw it up, as they screwed it up just about every time since 1992, then the PRC will get the result it doesn't want.

¹ (Shib"bo*leth) A favorite saying of a sect or political group, or a word which was made the criterion by which to distinguish the Ephraimites from the Gileadites. Source: www.dictionary.com

Gill Thanks very much. We have ten more minutes left, and we have three more persons. We'll see if we can get through these persons, and then we'll maybe take some more questions after that. Let me give the floor to professor Liu. Please.

Q Liu Liping, originally from CICIR China, now a visiting professor at the University of Maryland. We have talked about Taiwan, and we have talked about mainland China, but we have not talked about the United States yet. There is an election here also. So my question is, how do the panelists see the possible future U.S. policies towards China, particularly if John Kerry becomes the President, there is a possibility there, right? You can say it is too early to answer this, but you can also say that that no longer who becomes the next president, the U.S. will always make its policy based on the national interest, I will accept that as an answer, but you know, if you can say something more than this I would be more happy. [Laughter.]

Gill What if Ralph Nader becomes president? [Laughter] this is a reflection of a phenomenon which I always find so interesting. Why are you asking China specialists to comment on the American political system. [Laughter] Not a very wise thought. Anyone care to respond to that? Larry, you've been bold, no?

Diamond I'd like to be so bold as to say that the democratic nominee is not yet chosen, for one. Number two, I don't think they'll differ much between the two, Edwards and Kerry, on China policy. And number three, if you look at what happened when Clinton was elected, and then the policy gravitated toward. And when you look at what happened when George Bush was elected, and the policy that he's still gravitating towards. You see what you said at the outset, that the national interest does find its way into the presidential policy. And I don't think there's going to be a big change depending on who wins.

Shelley But I would take this opportunity to say something else about how the U.S. fits in, which is that it is typical for Taiwan to be successful in managing relations with the United States through a variety of policy implements. But one of the more prominent strategies has in the past been manipulating the differences of opinion between Congress and the White House. And I think one of the areas in which president Chen has not always been entirely well-served by his advisors in recent months is their failure to recognize the new forces in American politics that are brought about in a U.S. presidential election year. So when the president Bush seem to be shifting his support away from president Chen, the traditional allies in Congress were not as vocal as some people in Taiwan would have expected, because they are encumbered by their party loyalty and their unwillingness to embarrass the president of their own party in an election year. So I think there are things that change in the nexus between U.S. politics, Taiwan politics and PRC politics depending on where we are in the various leadership succession processes and these different placements.

Gill Spoken like a true political scientist.

Q Julia Chang Bloch, the U.S.-China Education Trust. One of my questions has been answered, but I wonder, the panelists sort of touched on the issue of economics as a factor in this election. I wonder if they might comment even further. Because given nature being what it is, most voters vote with their pocket books. And I imagine people in Taiwan will do the same. I think CSIS last year convened a very successful conference on the issue of economic integration between Taiwan and the Mainland. After all, last I heard it was 300,000 Taiwanese who are living in Shanghai alone. The numbers may have gone up. Does that have any effect on this coming election?

Gill Great question, domestic economic bread and butter issues. Shelley, wanna take it?

Rigger As is typical, it cuts both ways. You have people whose interests lie in even deeper intertwinement of the Taiwanese and Mainland economies. Those are people who are in the sectors that are manufacturing in the PRC and exporting internationally and making big profits for companies based in Taiwan. Then you have, on the other hand, who are interested in protecting the manufacturing based within Taiwan and their own jobs. So I think that this economic issue is constructed that way. The big issue is what we do about the PRC and how do we protect the domestic economy against the hollowing out effect and all that. And it goes both ways, so I don't know ultimately how it affects the outcome of the election, although I do know that I'm reading constantly about these people who are organizing themselves in Mainland China to travel back to Taiwan to vote in this election. So evidently, some entrepreneurs and professionals in the PRC believe that they have an important economic interest at stake that they need to articulate in the election, even though it's going to cost them all those extra hours because they have to fly through Hong Kong because there is no direct link.

Bush I agree with that, and I think there's another dimension to it. And that is, these two different points of view, people who are going to vote for the Pan-Blue on the one hand anyway, and the Pan-Green anyway. What is important at this point is how the middle or undecided voters see this issue cutting. Do they see integration as threatening? Or positive? I don't think we really know.

Gill Lets then give the last question to professor Yuan

Q Yuan Peng, a colleague of professor Liu at CICIR, now a visiting fellow at the CNAPS Brookings. My question is, concerning after the elections, is it possible, and under a kind of interim agreements, between our two parts, maybe including Taiwan, or among three relevant parties, maybe in the next one or two years, given the experience of 1998 agreements, and given the new situation between the three parties domestic changes, is a new interim agreement possible?

Bush I think it depends on whether cross-strait dialogue resumes. If there can be better understanding and better trust between the two sides, and some progress on some important functional issues, then this is a possibility. If on the other hand, we have the kind of stalemate that Shelley was referring to, then I think probably not.

Gill Well, we've concluded right at two o'clock. Let me again thank Asia Society and Joe Snyder of the Washington DC office, and Richard Bush and the Brookings Institution for joining us today and putting together this meeting. Please join me in thanking our speakers for their excellent, excellent remarks today. [Applause]