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**“Democratic Gridlock on Taiwan:
Domestic Sources and External Implications”**

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There's a Chinese expression, "lighting a lantern in the daylight" (白天打燈籠). That's exactly what I feel like coming to Palo Alto to talk at an event sponsored by Larry Diamond about the state of democracy in Taiwan, or anyplace for that matter. Larry has done more than anyone else—scholar or practitioner alike—to illuminate the multi-staged challenges of democratization. He reminds us all that that the transition to democracy is just the first stage of at least a two-stage process, and that transition without consolidation will soon produce stalemate, unmet expectations, and possibly political retrogression. But I always like coming to Stanford, and I appreciate Larry's providing me this platform.

If you would indulge me one anecdote from my period as chairman of the American Institute of Taiwan. The time was the spring of 2000, during the busy period between the election of Chen Shui-bian in March and his swearing-in as President in May. One of the tasks that fell to me was to help find someone to head the U.S. delegation at the inauguration ceremony (we called it the delegation to "represent the American people"). This person could not be a sitting official, since the United States doesn't have official relations with Taiwan, but he or she had to meet a couple of qualifications. It had to be someone of sufficient stature and connection with our president for us to say with credibility that he or she really was Bill Clinton's representative. And it had to be someone who, despite being high-profile, happened to have enough free time to fly from America to Taiwan, participate in a minimum of forty hours of events, and return. This was not an easy task. We went through a number of former chiefs of staff and others, all of whom rejected us. We were staring disaster in the face.

I take credit for coming up with the person who was able and willing to take on this duty. It was Laura Tyson, who had been Chairman of the National Economic Council and at the time was the dean of the Haas Business School at Berkeley. Now it happened that President Chen's inauguration was on Saturday with the official banquet that evening, and Dean Tyson had to preside over the commencement of her school on the Sunday. So even with the advantage of the international dateline, she made an extraordinary sacrifice of time to be the head of the American delegation and jet back for her commencement. The reason she did so, and the reason I tell you this story, was that she recognized that Chen Shui-bian's election and the transition of power were important events in the history of Taiwan and the history of democracy. They captured her imagination and she wanted to represent her country in bearing witness to them – even if it meant great inconvenience to do so.

Six-plus years later, we forget the atmosphere of those times, the naïve sense of hope that perhaps giving the Democratic Progressive Party a turn at power might stimulate needed change and reform. What Taiwan got instead was stalemate and polarization. What the DPP or at least President Chen earned was the image of a trouble-maker. I daresay that if the White House called a prominent American today to ask him or her to lead an inaugural delegation, the state of Taiwan's democracy would most certainly not be a reason for that person's taking the assignment. One only has to look at recent headlines to see why:

- In September, a former chairman of President Chen's party began a protest movement that created a certain amount of confusion in downtown Taipei.
- On November 3rd, the Prosecutor's office announced indictments of Mrs. Chen misappropriating state funds. It said that President Chen had engaged in the same activity but had not been charged because he was constitutionally immune from prosecution.
- On November 5th, President Chen made a long, televised defense of his actions and the DPP has temporarily decided to support him on the recall motion that the island's legislature voted on last Friday.
- In the past month, it has come out that all senior Taiwan officials have at their personal disposal discretionary funds. Moreover, the chairman of the Nationalist Party – the Kuomintang, or KMT – has apologized for mismanagement of those funds by one of his aides who has stepped down, and promised to resign if he is indicted.

One can get a sense of the U.S. government's ambivalence about Taiwan's political system today by looking at the October press conference of my friend Steve Young, our director of the Taipei office of the American Institute in Taiwan.

On the one hand, he spoke of Taiwan's democracy as one of the island's greatest exports. "The peaceful, democratic transformation of Taiwan," he said, "is a model for East Asia and the whole world," particularly for China. Although "the maturing and deepening the democratic experience," as he put it, posed challenges, his bottom line was that "Taiwan's doing just fine."

On the other hand, Ambassador Young turned around a couple minutes later to criticize Taiwan's legislature for doing too little on defense, justifying his intervention on the grounds that the United States is Taiwan's indispensable partner in security. He went so far as to strongly urge the Legislative Yuan to pass a robust budget in the fall session and act on a supplemental budget for advance weapons systems.

Another example of this ambivalence comes from President Bush himself. He criticized President Chen in December 2003 in the presence of China's premier because of his proposals for constitutional revision through referendum, but he praised Taiwan's democratization in his speech in Kyoto in November 2005. If you put these statements together, their underlying message is that the United States likes Taiwan's democratic political system in principle but does not always appreciate the actions – or inactions – that flow from it.

What Difference Does It Make?

But why should we care about the health of Taiwan's democracy? Steve Young provided two answers. The first is a general one, that the success or failure of one democracy is important for all democracies around the world. His second answer is more specific, that what happens to Taiwan's democratic system is important for the future of

democratization in China – the subject of your very excellent conference here a few weeks ago.

Against these two reasons is the concern that China is not exactly a passive actor here. Beijing is promoting the idea that illiberal, technocratic regimes are more effective in achieving the goals that really matter, and that the systems in Taiwan and the Philippines are suffering a “democracy deficit” – that democracies don’t promote the common good. I don’t agree with China’s assertion regarding its own performance overall under its authoritarian system, but the best refutation of the claim that illiberal technocracy works better is good performance by democracies like Taiwan.

I would add a third, historical, reason why the United States should care. That is that the United States made some decisions concerning the status of Taiwan and fate of the people of Taiwan without consulting them. True, there was no way to consult them but that was all the more reason to take special care in making those choices. The most obvious of these decisions were made in 1943, 1971-72, and 1978. Having done so, we should hope for a healthy Taiwan democracy whose choices reflect well the wishes of the people.

But it’s when we come to cross-Strait relations that the health and quality of Taiwan’s democracy is really critical. Taiwan faces daunting choices when it comes to addressing the challenge of China. For the sake of the people of Taiwan, I for one hope that those choices are made well, since they will have to live with those choices for some time to come, perhaps forever. But if the political system – the mechanism by which those choices are made – is defective, then the people’s interests will not be well served. So, we have the prospect that a people who were denied the right to choose for generations will now be denied the possibility of good choices because their political system is dysfunctional.

In the late Clinton administration, the United States government acknowledged the significance of the political changes on Taiwan for cross-Strait relations. In effect we said that democratization had given the people of Taiwan a seat at the negotiating table. It was President Clinton who gave this concept its most authoritative statement when he said, first in February 2000, that the Taiwan Strait issue had to be resolved not only peacefully (a long-standing formulation) but also with the assent of the people of Taiwan.

To say that the Taiwan Strait issue had to be resolved with the assent of the people of Taiwan can be regarded simply as a recognition that the island has a democratic system. But it does prompt the question of how well Taiwan’s political system reflects the popular will.

To put matters differently, I believe that Taiwan badly needs to strengthen itself economically, militarily, diplomatically, psychologically, and politically. These efforts are important for their own sake and for the island to be able to face China from a position of strength. But they must all be either facilitated or done through the political system. If the political system does not work, then Taiwan will face an ever strengthening

China from an increasingly disadvantageous position. Options that might have been open to the people of Taiwan will disappear.

This raises a question. It's pretty clear that self-strengthening in the economic, military, and other non-political dimensions cannot occur in the current political climate. We therefore must consider two ways that it will occur. The first is a return to unified government. That is, either the pan-Blues or the pan-Greens gain control of both the legislative and executive branches in the elections that will be held around twelve to fifteen months from now. That is the view of the pan-Blues, as you might expect. Already in control of the Legislative Yuan, they say, "Drive our opponents from the executive branch, return us to power, and all will be well." The pan-Greens would hope to retain control of the executive and win the legislature as well. Unified government assumes, of course, that whichever coalition takes charge will adopt the right agenda.

The other scenario is that the current Taiwan political system has more fundamental problems than those fixable by a simple change of leadership, and that until the political system itself is the object of significant reform, major and necessary self-strengthening changes are unlikely in other policy arenas. Without significant political reform, the ability of the people of Taiwan to make good choices concerning the China challenge will be constrained because the political system through which those choices are refracted will remain dysfunctional. We come to the issue of democratic consolidation – or the lack thereof.

Democratic Consolidation

It is certainly true that the divided government of the last six years has contributed to the plight in which Taiwan finds itself. And perhaps unified government would bring a radical improvement. But I am more inclined to believe that much of the political dysfunction is structural in origin. That is, leaders, parties, politicians, and publics are operating, often in spite of themselves, in a democratic order that is only partway constructed and not yet consolidated. The behavior that we see may make sense for the individual actors in the system but it is dysfunctional for the public at large. And I would argue that this behavior is going to continue until the democratic order is completely consolidated. Dr. Shelley Rigger, who teaches at Davidson College in North Carolina and is the leading specialist on Taiwan's domestic politics, tends to agree with me. She writes that: "the structural problems in the island's political system predate Chen Shui-bian's presidency. . . . So long as they are not resolved, anyone who accedes to the presidency will be plagued by these same institutional challenges."¹

A year or two ago, Dr. Rigger published an assessment of Taiwan's democratic consolidation. She used Larry Diamond's three criteria of democratic consolidation: democratic deepening, political institutionalization, and regime performance.² Without

¹ Shelley Rigger, "The Unfinished Business of Taiwan's Democratic Democratization," in *Dangerous Strait: The U.S.-Taiwan-China Crisis*, edited by Nancy Bernkopf Tucker (New York: Columbia University Press, 2005), p. 43.

² Rigger, "Unfinished Business," pp. 16-43.

consolidation, she warns, a system can “retain the formal trappings of democracy . . . but lose the ability to hold elected officials accountable for their actions, provide genuine representation for the public, and guarantee the rights of citizens.”³ And while she gives Taiwan high marks on respect for civil and political rights and political representation, she is less charitable on other measures. She describes a situation in which Taiwan’s institutions – semi-presidentialism, the legislature, the party system, the electoral system, and the mass media – work together in an interlocking way to reduce accountability, foster a zero-sum political psychology, promote policy deadlock, ensure suboptimal policy performance, and defer consensus on the rules of the game.

Dr. Chu Yun-han, who is one of Taiwan’s leading and most insightful political scientists, provided a similar and even more disturbing analysis last year.⁴ In the wake of the island’s presidential election in 2004, he identified old and new “worrisome trends” that were “eroding the political elite’s commitment to due process and fundamental democratic values as well as its faith in the openness and fairness of the political game.” What is worse, he cited polling data that showed declining public support for the superiority of the democratic system, in part because of the government’s poor response to the global recession that began in 2000 and, later, the conduct of the 2004 election itself. Not only was the DPP executive unable to root out the corruption from the past, Dr. Chu asserted, but it also gave in to the same temptations itself. Not only did institutions check each other as designed in the constitution, he noted, but some did not perform their expected function. And not only do the Greens and the Blues regard the contest for control over the state apparatus as a do-or-die battle, the emergence of some important institutions of a mature democracy – an autonomous civil society and mass media, a politically neutral civil service, an independent judiciary, and a national military and security apparatus – remains an illusion.

Earlier this year, The Brookings Institution, the Center for Strategic and International Studies, and Taiwan’s Institute for National Policy Research held a conference on Taiwan’s democratic consolidation. We asked specialists to look at various institutional sectors and identify what should be done in each to reduce the dysfunctional character of the Taiwan political system.⁵

- Chu Yun-han discussed the problems of the semi-presidential system created in the 1997 round of constitutional amendments. This is a system that on the surface looks like the French system but has few of the mechanisms to enforce cooperation (*cohabitation*) in times when power is divided, and does have plenty of incentives for contending forces to create gridlock – which is exactly what happened when Chen Shui-bian won the presidency in 2000 and the pan-Blue retained control of the legislature.

³ Rigger, “Unfinished Business,” p. 22.

⁴ Yun-han Chu, “Taiwan’s Democracy at a Turning Point,” *American Journal of Chinese Studies*, volume 11, May 2005, pp. 901-924.

⁵ See “Consolidating Taiwan’s Democracy: Challenges, Opportunities, and Prospects,” www.brookings.edu/fp/cnaps/events/20060322/htm.

- Emile Sheng of Soochow University described how the results of the 2004 election were distorted by President Chen's call for a defensive referendum on election day and by the assassination attempt on him and Vice President Lu the day before and offered suggestions for mechanisms to avoid those sorts of effects in the future.
- Dr. Hawang Shiow-duan of Soochow University, an expert on the Legislative Yuan, explained the impact of the lack of specialization and expertise in legislative committees, the role of the procedure committee in blocking consideration of bills, the lack of transparency in the mechanism of inter-party negotiation on bills, and the serious problem of corruption and conflict of interest among legislators. In each of these areas, she suggested measures to correct these problems.
- Jacques de Lisle talked about the judicial system and reported that on balance Taiwan's system ranks pretty well but that there is a perception that the politically powerful tend to win in sensitive cases. Moreover, Dr. de Lisle concluded, access to the system can be a problem and judges and prosecutors are not always up to handling complex economic cases.

Let me reiterate that I believe the problems here are mainly structural. We can probably blame one political camp or the other for mistakes that each has made over the last decade to contribute to the current state of affairs. But I repeat Dr. Rigger's warning that until systemic solutions are devised for what are systemic problems, the dysfunction will continue and politicians will continue to perform according to the cues that the system creates. The losers will be the people of Taiwan, who are placed at a growing disadvantage vis-à-vis China. The winner is the government in Beijing.

In addition, let me say that Taiwan is not the only case of an unconsolidated democracy in Asia facing problems. Thailand, the Philippines, and South Korea are other examples we could cite. But I would argue that the stakes for Taiwan are much higher.

What to Do?

It is one thing to state a problem. It is another thing to prescribe a solution and, even more difficult, a means of carrying it out. My diagnosis, shared by some of my political scientist colleagues, is that the problems of Taiwan's political system are structural and will not be remedied without significant reform and improvement of the island's political institutions. Yet obviously, it is the dysfunctional political system itself that must carry out those reforms, even though it may not be in the interests of political actors to do so. Compounding that problem are two others.

One imposing obstacle to making progress on political reform is the corrosive and tribal partisanship that now exists between the Green and Blue camps. This zero-sum mentality, which has grown over the past almost-seven years, is a product of two factors. The first is the mutually reinforcing result, as Shelley Rigger has described, of the interaction of semi-presidentialism, the legislature, the party system, the electoral system, and the mass media. If the bitterness and mistrust so produced were not bad enough, it

was exacerbated by the outcome of the 2004 presidential election, where President Chen won by a razor-thin margin and the pan-Blue parties believed they had been cheated out of victory.

Aside from partisanship, another imposing obstacle to reform is polarization. For at least the last three years, in my analysis, the Dark Green and Dark Blue tendencies of the Taiwan political system have fed off each other, justifying each other's definition of the situation and justifying each other's policies and programs. Yet in my view, Dark agendas lead into dead ends. Progress and reform has been more likely to occur on Taiwan, and will be more likely to occur in the future, when the Light political tendencies – Light Green and Light Blue – work together.

One cause for polarization has been the electoral system for the Legislative Yuan, which hitherto has been as single, non-transferable vote system in multi-member districts. That has fostered a number of pathologies, one of which is the ability of candidates with narrow – read non-centrist – agendas to get elected. In that regard, hope is on the way, in the form of a shift towards a partial single-member district, first-past-the-post system. But without other reforms the impact may be only partial and slow to occur. Look at how slowly similar reforms of the Japanese electoral system have worked to foster a two-party system that is focused more on national policy and less on constituency service.

So we may have to look elsewhere for stimulus in strengthening Taiwan's other political institutions, which is necessary for its own sake and to restore the public's confidence in the political system. I just offered my view that progress and reform has been more likely to occur on Taiwan when the Light Green and Light Blue political tendencies work together. Now it's easy for me to suggest a working coalition of these two forces. It is very hard to bring one about, particularly when we recall Dr. Chu Yun-han's conclusion about the erosion of the Taiwan political elite's faith in the openness and fairness of the political game – a critical condition for survival of a democratic system. Some in the DPP and the KMT were willing to work together in the 1990s on the project of constitutional reform because, at least, each side saw that it had something to gain. In today's zero-sum atmosphere, such cooperation is certainly harder to imagine. But there are ways to make it more likely.

First of all, cooperation can be facilitated if a draft reform agenda exists. In this regard, Taiwan is blessed with many intelligent political scientists, lawyers, and former legislators. I would like to see a commission of such people come together to develop, on a consensus basis, an agenda for political reform. I believe strongly that this should be a centrist body, made up of individuals of Light Green and Light Blue perspectives. How such a commission should be formed is not for me to say. The important thing is that a reform agenda be developed over the next year.

Second, for a reform process to begin, I believe that there will have to be an understanding between the moderate leaders of the Blue and Green camps that cooperation is necessary. Leaders will have to send a signal to their subordinates what is expected, including in the Legislative Yuan, where minorities can block legislation.

Leaders will have to cope with the problem of any reform process, that in the middle of the effort, no-one is happy with the results. Leaders will have to sustain public support for to effort, which will be difficult given the evidence that people are losing confidence in democracy as a system.

Yet the reform project cannot be sustained merely through a leadership pact. A process of trust-building must occur as well, in order to restore broader mutual confidence among the elite in the democratic system and the rules of the game. Here the movement should go from easier to harder and not the other way round. Some political reforms – particularly addressing the problems of semi-presidentialism – require constitutional amendments and so a broad political consensus. But other reforms do not. Ending conflict of interest in the Legislative Yuan and fostering more professionalism on the part of members either requires changes in laws, or internal rules, or tightening of enforcement. Improvement of the mass media requires breaking the log-jam over the National Communication Commission. These latter issues should come first to build mutual confidence for more challenging matters.

Along with an agenda, a leadership pact, and a trust-building process within the elite, reform sometimes gains momentum if there is a sense of crisis. The public, having lost confidence in the future and in the political system, demands change. Politicians realize, finally, that the national interest supersedes partisan interest. Franklin Roosevelt was able to push through the New Deal reforms because of the sense of crisis created by the Great Depression. Let me be clear. I'm not advocating that there be a crisis on Taiwan. I'm just making an analytical statement.

Some may ask, what would be the view of the United States, particularly if political reform requires constitutional change? There is the view in some quarters that the U.S. government opposes all constitutional change in Taiwan. That is a serious misreading. In fact, as the government of a democracy itself, the administration would welcome constitutional revision on Taiwan, done according to the provisions of the current constitution and for the purpose of improving the governance and performance of the island's political system. If Taiwan embarks on the reform project of democratic consolidation so that the Taiwan people will have a better political system through which make their fundamental choices, the United States will support the effort. I only hope that China would too.

There is a thread that runs through this list of suggestions of how Taiwan might break out of the gridlock of its democratic political system and how it might strengthen its political system. (And strengthening the political system is necessary to strengthen other areas and ensure that Taiwan makes good choices in facing the challenge of China.) And that is the need for inspired political leadership: to offer a sense of vision; to forge a centrist, reformist coalition; to craft and pursue a reformist agenda for strengthening institutions; to get politicians to rise above parochial interests and focus on national imperatives; to engineer a trust-building process between political blocs; and to foster public support for change.

Because the stakes are high, not only for the example that Taiwan offers for other recent democracies for good or ill but also for the future of the people of Taiwan, we can only hope that such inspired political leadership emerges.