Taiwan’s Current Political Deadlock and the Prospect of Taiwan-China Relations (10/03/2006)

--Tang Fei

Professor Diamond, Professor Myers, Ladies and Gentlemen:

I am honored to have this opportunity to share with you some personal view and experience on Taiwan’s current political situation and “Taiwan-China Relations.” To give a comprehensive talk in such limited time is challenging, but I will try my best.

The current state of “One China, two governments” began in 1949, when the Communist party established a new country named People’s Republic of China (PRC) in the mainland and the Kuomintang (or the Nationalist) government led by Chiang Kai-Shek moved to Taiwan and continued using the name, Republic of China (ROC).

Two political substances have long existed across the Taiwan Strait. Mainland China sees Taiwan as one of its province. The KMT claimed that “there’s one China, both Mainland and Taiwan belong to this China, and the future of China should be decided by Chinese and Taiwanese people.” While the current ruling DPP party in Taiwan stressed that they are Taiwanese, not Chinese, and advocates independence of Taiwan.

On May 20th 2000, at the presidential election, the ROC had peacefully transferred its governmental authority from KMT, which is in power for 55 years, to the opposition party, the DPP. To all Chinese, that was a very significant (exciting) and important change because it was the first time in Chinese history that the reign of government was altered by an open election. It represented a big step in Chinese democracy.

However, the euphoria passed away quickly. The current political situation shows that Taiwan’s democratization has a long way to go. Let me share with you my observations and some of my personal experience.

Before his inauguration, the new president Chen Shui-bian visited and invited me to be his premier, He told me, “My inauguration speech has been reviewed by Washington and has obtained their support.”
President Chen Shui-bian emphasized in his inauguration that “Only if mainland China will not use military force to attack Taiwan, I promise, in my term, I will ‘neither declare independence, nor change the national title, nor push forth the inclusion of the so-called state-to-state description in the Constitution, nor promote a referendum to change the status quo with regard to the question of independence or unification, and not abolish the national unification council or the guideline for national unification.” This was the so-called “Five Nos” policy. The radical elements of the DDP were not satisfied, but they realized this was the only way to calm the current political situation.

Chen’s narrow victory in 2000 brought shock and uncertainty to Taiwan. People worried that his victory might bring up a war across the Straits. He understood that he needed time to ease the suspicion from the United States, China and within Taiwan. Appointing me to be his premier would buy him time for a peaceful transition.

I accepted his appointment. A major reason was his promise for a government reform and the “Five Nos” policy. Unfortunately, later developments soon proved that he could neither deal with the challenge of running a government nor consolidate his own party. Our breakup came fast and for the following six years, Taiwan has been caught in economic stagnation, social uneasiness, ethnic conflict, and political chaos.

Why? I have some brief observations:

First, DPP administration has little executive ability and experience in running a state. You might be surprised that Chen Shui-bian and his staff couldn’t find sufficient DPP members to take over the government; even for a position of vice minister, they didn’t have the man. DPP was just not ready.

This group of new, inexperienced officials arrived in their new offices with ambition and ideas, but they soon found out that running a state was not easy. They had to deal with the legislatures (which was controlled by Kuomintang) and limited budget.

They could have learned from old bureaucrats, but, unfortunately, they didn’t because they didn’t trust the bureaucrats. They insisted in proposing immature bills to the Legislative branch and ended up with endless confrontations and frustrations.

Second, DPP leaders failed in daily executive practice, they began to use “ideology” to run the administration. When the whole world is trying to prosper with China’s
fast growing market economy, Taiwan said “No” to Chinese market.

This actually began in late 1990s when Lee Ten-hui was President. DPP and Lee Teng-hui want Taiwan independence, but they never dare to explain to Taiwanese people how they could sustain Taiwan’s development without the Chinese market. “Can Taiwan’s economy develop independently?” Let alone military threat from China.

Regrettfully, Taiwan’s economy has been staged by their political ideology. A decade has passed away, Taiwan is being marginalized as China and other Asian countries have enjoyed fast economic growth.

Taiwan’s foreign relations also suffered a lot by DPP’s “running the country by ideology.” Because of the poor performance in economy, DPP have lost the support of the middle-class. President Chen and his DPP members had to please the hard-liners by “ideological cards.” Whenever there is an election, local or national, DPP had to provoke tension across the Straits by “creating new constitution and a new country”. And after the election, they reassured the “Five Nos” policy to calm the US and China. It is no doubt that Washington became distrustful and frustrated with the DPP government. Taiwan’s relations with the United States and many other countries had gone backwards and the cross-Straits relations are tensed.

Third, the dysfunction of constitutional arrangement brought up a political deadlock. Former President Lee Teng-hui amended the Constitution for 6 times during his 12-years tenure to increase the power of the President. Yet Lee was not contended and had tried to continue amending the Constitution to extend his Presidency for another term. Due to severe criticism and pressure, from domestic and international community (especially Washington), he gave up.

The result was that there is hardly any Separation of Powers and political mechanism almost collapsed. The President has all the power but no responsibility; the Premier, who has to face the supervision of the Legislative branch, has to do whatever President instructs. Believe or not, Chen Changed 6 premiers in 6 years.

Chen Shui-bian became President by a minority victory in the popular votes; moreover, DPP was the minority party in the congress. In any democratic society, a coalition government will be the choice. But Chen Shui-bian refused to form a
coalition government with KMT (Kuomintang) which enjoyed more than half of the seats in the congress. It is not surprising that, in the past 6 years, the legislative branch has been challenging the executive branch. The DPP also controls judicial branch. Therefore, the government could not move, and people became victims.

Fourth, DPP has been suffering from national identity.
The PRC in mainland China replace ROC on Taiwan in the United Nations in 1971 and, in 1979, the United States terminated its foreign relations with Taiwan and the US Congress passed the Taiwan Relation Act to provide Taiwan with necessary defense. Since then, ROC-US relations have become “unofficial”, maintained mainly economic and cultural relations. Presently, only 20 small countries in the world maintain official relations with Taiwan and more than one hundred countries recognize the PRC as the only lawful government of China.

As a state that has to fight for its identity, a sense of insecurity has shared by the government and people in Taiwan. As I just mentioned, DPP, KMT, and other political parties have different perceptions toward Taiwan’s international identity. It is hard for a state without national consensus to prosper.

I believe that most of you are aware of Taipei’s on-going people’s protest led by DPP former Chairman Shi Min-teh to unseat President Chen Shui-bian. On the single night of September 15, about 600,000 to 750,000 people poured into the streets of Taipei to join a symbolic “siege” of the President Office as part of the Anti-Chen Shui-bian movement.

How could Chen Shui-bian become so unpopular? The new government quickly became corrupted, seriously corrupted. President Chen’s son-in-law has been indicted for inside-trading. His wife was criticized for some bribery-taking. President Chen himself is involved in some illegal use of the national security budget. Some DPP officers were hand in glove with investors even to the level of selling government positions. President Chen’s approval rating falls to the teens. The latest one showed that only 18% of the respondents approved his leadership.

Su Zhen-chang (current Premier) and Kuomintang Chairman Ma Ying-jeou are both calling for a political consultation, and some DPP young cadres and a few DPP Legislators began to denounce Chen Shui-bian.
Just last week, a group of scholars, former DPP officials, and some young DPP members held a “Epoch Forum” in Taipei, in which they criticized DPP for its corruption and Greediness, and called for a thorough self-examination. The Forum stated that “Chen Shui-bian is no longer the leader of the DPP.” But President Chen insisted that he would remain in the Presidency until May 2008 even if his wife is indicted. It seems that the current political deadlock has no answer.

What troubles me the most is that President Chen Shui-bian might bet his remaining political fortune on a new Constitution. Yes, it’s very risky, and it’s almost impossible under the current political situation, plus Washington and Beijing are keeping a watchful eye on it.

But, if Chen is driven into desperation, will he take some rash, radical actions again? Should he succeed, it will be the legacy for his two-term presidency and pay the road to independence. If he fails, it will help take attention away from the corruption charges against him and his family. Whether such an irresponsible action will bring up disaster for Taiwan and its people, I’m afraid that Chen Shui-bian doesn’t care.

It’s hard to make a prediction. But, given the current delicate, sensitive cross-Straits situation, creating a new Constitution will bog Taiwan down in instant danger.

Nevertheless, “China factor” has been effecting Taiwan’s development both economically and politically. In fact, many have pointed out that Taiwan should prosper with China’s growing market economy and Taiwan’s security and future development depend on a stable, peaceful cross-Strait relation.

China is now the World’s Factory. Its continuous high economic growth rate has drawn global attention.

Here are some staggering numbers: China’s foreign reserves placed #1 in the world, and Chinese experts estimated that it will reach a trillion US dollars in October 2006. The China Central Bank announced: Before 2008, China’s bank market will climb to #2 in the world.) China is now world’s 2nd largest gasoline consuming country, the 3rd largest trading country, and the 4th largest economic entity and, in 2020, it will be world’s largest economic entity.

On the other hand, in spite of its economic achievements, China is now encountering
great challenges. How to continue its economic reform and establish a productive market economy? How to narrow down the gap between coastal area and inner China? How to revise its social welfare system? And what about its political reform?

Chinese leaders in Beijing have been aware of these challenges and have launched some policies. Here, Taiwan’s experience is valuable for China. Taiwan’s economic reforms and strategies in the 50s, 60s, 70s and 80s have been proved to be successful. In addition to economic success, the income distribution was pretty fair. People worked hard and enjoyed their way of life. But, since mid-1990s, Taiwan’s economy growth began to slow down. People’s resentment toward the government drastically increased.

There are many factors to explain such a change. For example, the fast growing Chinese market has attracted lots of foreign capitals, many industries have to move to China or other Asian countries where cheap labor is available, etc. But I must point out that, Taiwan’s economic setback is mostly due to political interference.

And Taiwan’s experience of democratization is especially worth notice. China has begun election in selected townships. What’s next? It is not easy. It can’t be too fast, or too slow. Democracy is not election only. People on both sides of Taiwan Straits must think carefully how to establish and sustain a functional political system.

Taiwan’s current political deadlock should be broken. Under the current situation, a coalition government with majority rule seems to be a choice. Frankly speaking, I have been struggling myself on what will happen to Taiwan. On one hand, I have been disappointed about Taiwan’s politicians. Some political figures tended to be selfish, irresponsible, and lack of vision. It’s hard to be optimistic about Taiwan’s future. But, on the other hand, I have confidence in Taiwanese people. Most of them are well-educated, hard-working, and they are smart. Look at the hundreds and thousands of protesters in front of the Presidential Office yelling “Anti-Corruption” and “A-Bian Step Down”, people have their judgments. It seems they know how to solve the problems.

After Taiwan’s political crisis is solved, though I don’t know how soon it will be, a constitutional amendment is needed. The current dysfunctional Constitutional arrangement must be corrected; but any revision of the Constitution must be undertaken according to the law.
Before I end the report, I must indicate that US factor should not be ignored when people are talking about a solution to the current political deadlock. I didn’t mean an American interference in Taiwan’s political affairs. Yet, evidence showed that the United States has changed its attitude toward the cross-Strait issue. It used to be “strategic ambiguity”; now it is getting firm in insisting the “status quo” which leaves DPP administration little room to take advantage of the US support. Beijing’s “One China Principle” recognizes the status quo. Taiwan must also be responsible for its cross-strait policy.

To sum up, a stable, peaceful cross-Strait Relation benefits both sides of the Straits. China needs time for its peaceful development; and Taiwan needs a space to sustain its democratization and economic growth.

The odds are in Taiwan’s favor if Taiwanese can achieve a sound political system. And it will also provide conditions for a peaceful and constructive cross-Strait relation as well as a peaceful development of China.

Thank you very much.