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Jim W. Ko

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COLD WAR TRIUMPH? TAIWAN DEMOCRATIZED IN SPITE OF U.S. EFFORTS

Jim W. Ko†

I. Introduction

Taiwan, a small island off the southeast coast of China, emerged from under the rule of martial law in 1987 to become a full-fledged democracy, all within a decade and a half, and without bloodshed. President Lee Teng-hui, head of the Kuomintang (KMT) or Nationalist party that had ruled Taiwan since it fled from mainland China in 1949, instituted and won Taiwan’s first democratic presidential election in 1996. The nascent Democratic Progressive Party (DPP) subsequently shocked the world when its candidate Chen Shui-bian emerged victorious in the 2000 election, in what has been accurately described as the first democratic transition of power in China’s 5,000 year history.

After decades of promoting the KMT as the rightful ruler of “Free China,” the U.S. led the world-wide transfer of recognition from the KMT to Mao Tse-tung’s People’s Republic of China (PRC) in the 1970s, inducing a decade of crisis in Taiwan. This U.S. betrayal would have sparked a negative backlash against the U.S. and its ideals in almost any other country. Instead, it ultimately spurred democratic reform in Taiwan, but only in a haphazard manner akin to the devastating earthquake that changed the landscape of Taiwan and its politics shortly before the DPP’s historic victory in 2000. Several factors internal to Taiwan far outweighed any positive influences the U.S. might have had. Simply put, the U.S. lucked out.

The Taiwan example calls not for emulation but for fundamental shifts in U.S. efforts to promote democratization abroad. U.S. economic aid and military protection were in fact instrumental to Taiwan’s survival in the face of the ever-present threat of PRC invasion, and also laid the foundation for Taiwan’s economic miracle. Taiwan’s democratic reform, however, did not succeed because of U.S. efforts, but rather in spite of them. The authoritarian KMT adopted domestic policies virtually opposite to the failed policies imposed by the U.S. on nascent democracies during the Cold War and today. For decades the KMT maintained tightly protectionist

† B.S., Biology, Duke University, December 1995. Ed.M., Harvard Graduate School of Education, June 1997. J.D., Case Western Reserve University School of Law, January 2004. Associate, Howrey Simon Arnold and White, LLP, starting Fall 2004. I would like to thank Dean Hiram Chodosh for his guidance on this project, and my family both in the U.S. and in Taiwan for making this project possible.
economic policies and implemented token elections solely on the local, not national level, and certainly not on the presidential level. The U.S. chose to overlook the KMT's anti-democratic indiscretions, but only because it wanted to present Taiwan to the world as a pristine, if not genuine, democratic alternative to Communist China. Nevertheless in the end, the rose-colored glasses worn by the U.S. for decades had unwittingly allowed Taiwanese democracy to develop internally and at its own pace, as perhaps any strong democracy must.

The Taiwan example demonstrates that the U.S. should permit incipient democracies to maintain protectionist economic policies for a period of time, and it should also look for opportunities to encourage democratic reform from within ruling parties, instead of focusing solely on supporting opposition movements. An authoritarian ruler might be willing to put the implementation of local elections on the bargaining table under the right circumstances, as the KMT's Chiang Kai-shek did in the early 1950s. Such local elections, even those not free of corruption, can fuel the democratic impulses of the people, and eventually give rise to the national elections that the U.S. all too often has prematurely imposed on third-world nations.

Section II of this paper examines the justifications under accepted international practices for the U.S. active promotion of democratization abroad. Section III provides a historical overview of Taiwan's rapid economic and democratic development in the second-half of the 20th century. Finally, the largely internal factors contributing to Taiwan's transition to democracy, despite U.S. interference, are analyzed in Section IV.

II. The U.S. is justified in promoting democratization abroad under accepted international practices

Although the texts of international agreements are unclear on the matter, the U.S. is justified, under accepted international practices, in using peaceful means to promote democratic reform abroad. The lesson from the U.S.' misguided Cold War policies, however, is that the U.S. should fundamentally redefine and exercise more humility in its approach.

Lori Fisler Damrosch points out that the definition of the norm of nonintervention in international law agreements is outdated. According to Article II of the Charter, the United Nations shall not unilaterally "intervene in matters which are essentially within the domestic jurisdiction of any state

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1 "The nonintervention norm must be reformulated to deal with the categories of political activity that the international legal system of today treats as unacceptable." Lori Fisler Damrosch, Politics Across Borders: Nonintervention and Nonforcible Influence Over Domestic Affairs, 83 AM. J. INT’L L. 1, 6 (1989).
The U.N. Charter grants only the Security Council the authority to take measures "to maintain or restore international peace or security" in response to any "threat to the peace, breach of the peace, or act of aggression." Nevertheless, the U.N. has never enforced or submitted to a strict interpretation of these policies. The U.N. tolerates and even encourages certain forms of transboundary political activity, such as government-to-government aid in support of democratic reform, and economic sanctions and trade embargos penalizing human rights violations. The Restatement (Third) of Foreign Relations Law parallels this reasoning in its application of the norm of nonintervention to human rights: "A state may criticize another state for failure to abide by recognized international human rights standards, and shape its trade, aid or other national policies so as to dissociate itself from the violating state or to influence that state to discontinue the violations."

According to Damrosch, international agreements regarding the norm of nonintervention should be reformulated to reflect its actual practice. A state's actions should violate international law only if they "deny the people of another [state] the opportunity to exercise free political choice." This reformulation would cover both forcible means and certain nonforcible means deemed unacceptable by the international community.

Although the U.S. is justly criticized for both the manner in which it implemented its Cold War policies, and the ideological grounds that drove them, the U.S.'s promotion of democratization abroad need not solely be an exercise in self-interested imperialism. Samuel Huntington points out a correlation between democratization and peace, as while "[a]uthoritarian countries have fought democratic countries and have fought each other," democracies have not fought any significant wars with other democracies since the early 19th century. Also, as Amartya Sen famously stated, a functional democracy, whether rich or poor, has never suffered through a famine like Ukraine in the 1930s or China from 1958-61.

Even if, however, the goal of world-wide democratization is just, the U.S. should recognize that encouraging democratic reform from the outside is a tricky business. As Huntington writes, "The causes of democratization differ substantially from one place to another and from one time to

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2 UN Charter art. 2, para. 7.
3 UN Charter art. 39.
4 See Damrosch, supra note 1, at 49.
6 Damrosch, supra note 1, at 6.
7 Id. at 5.
9 AMARTYA SEN, DEVELOPMENT AS FREEDOM 16 (Knopf 1999).
another,” with no single factor necessary or sufficient to a nascent democracy’s success.\(^\text{10}\) The U.S. often forgets that intervening in the internal affairs of another nation almost inevitably engenders a negative backlash against the intervener and its ideals.

**III. The development of “the Taiwan miracles” – economic and democratic**

“The Taiwan miracle” is a phrase often used to describe Taiwan’s rise from poor agricultural nation to world economic power, all within the period of a few decades during the second half of the 20th century. This same phrase is equally applicable to the rapid democratic reform that followed in Taiwan, which culminated with the first democratic transition of power in China’s 5,000 year history. This transformation was all the more remarkable as Taiwan is perhaps the only non-Western country to successfully transition to democracy without having previously been subject to Western colonial rule.\(^\text{11}\)

The U.S. would play a significant role in Taiwan’s democratization, but one that was more indirect than that evident in the U.S.’s more interventionist policies in other incipient democracies during the Cold War and today. The U.S. played a direct and instrumental role in Taiwan’s development through its aid in implementing land reform in the 1950s, and its continuous military protection of Taiwan from the ever-present threat of the mainland. As for direct political pressure for democratization, however, the U.S. allowed the KMT’s authoritarian-at-heart Presidents Chiang Kai-shek and then his son Chiang Ching-kuo free rein for decades without much if any criticism. The lesson from Taiwanese democratization is that direct U.S. pressure for democratic ideals such as economic liberalization, national elections, and a free press, while potentially beneficial at pivotal moments, may in fact be counterproductive if applied continuously and from the start. Taiwan was given a space and time to develop its democratic institutions on its own that has clearly not been present in Afghanistan and Iraq today.

This section will trace the historical development leading to both of Taiwan’s miracles: from the establishment of KMT rule in Taiwan, to the development of the Tang-wai opposition and the Democratic Progressive Party (DPP), to President Chiang Ching-kuo and President Lee Teng-hui’s implementation of democratic reform, and ending with the DPP and Chen Shui-bian’s historic victory in the 2000 Presidential Election.

\(^{10}\) Huntington, supra note 8, at 38.

\(^{11}\) John F. Copper, Taiwan’s Mid-1990s Elections 138 (1998).
A. The Establishment of Kuomintang Party (KMT) Rule

Taiwan began the 20th century under Japanese occupation, and then became the home for Chiang Kai-shek’s KMT government after it was forced off the Chinese mainland by Mao Tse-tung’s Chinese Communist Party (CCP). The KMT stubbornly continued to claim sovereignty over all of China, and used its long-term goal of retaking the mainland to justify martial law. With U.S. support, the KMT consolidated its rule in Taiwan and instituted a period of remarkable economic growth widely known as the “Taiwan miracle.”

1. Japanese occupation (1895-1945)

Toward the end of the Qing Dynasty (1644-1912), China suffered major military defeat at the hands of Japan in the Sino-Japanese War (1894-95). As part of the terms of the Treaty of Shimonoseki, China was forced to cede the island of Taiwan to Japan in 1895. Japan sought to make Taiwan a model colony, and invested heavily in Taiwan’s infrastructure and educational system. This would help set the stage for Taiwan’s rapid economic growth under the KMT, after Japan returned Taiwan to Chinese rule at the end of World War II.

2. Chiang Kai-shek’s KMT Party flees mainland China and takes over Taiwan (1949)

After leading the Revolutionary Alliance to victory against the last emperor of China in February 1912, Dr. Sun Yat-sen created the Kuomintang (KMT) or Nationalist party. Dr. Sun established a democratic system of government, with a Constitution to prescribe its powers. Not surprisingly, several other regional leaders had similar but less democratic aspirations to rule China, and China fell into a period of warlordism. Dr. Sun resurrected the KMT party in 1920, and Chiang Kai-shek emerged as its military leader.

In its efforts to reunite China and bring it out of warlordism, the KMT allied with the Stalin-backed Chinese Communist party (CCP), created in

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Sun Yat-sen reorganized the KMT on the model of the Soviet Communist party in 1924, but maintained it as a "leaderist" party with a system of democratic centralism requiring cadres to be elected and policies to be decided by discussion. The alliance between the KMT and the CCP fell apart in 1927, leading to civil war.

Japan invaded China in 1937, marking the start of World War II for Asia. From 1938 to 1944, Japan took over much of eastern China, with the KMT marred by internal corruption and preoccupied with its civil war with the CCP. The KMT survived the Japanese threat, largely due to the U.S.' role in turning the tide of the "War of the Pacific." The CCP, however, began to dominate the civil war.

In 1949, the CCP forced Chiang and his KMT forces to retreat to the island of Taiwan. The CCP leader Mao Zedong declared the founding of the People’s Republic of China (PRC). Meanwhile, Chiang’s KMT government took over rule of Taiwan. The KMT brought with it the Constitution created by Chiang in 1946, which was based on the teachings of Dr. Sun Yat-sen and the U.S. Constitution.

Chiang Kai-shek’s KMT party came to Taiwan as a decidedly minority ruler. The KMT had 34,382 members, representing only 0.8% of the entire Taiwanese population. Chiang Kai-shek’s immigrant KMT party and its descendants are referred to this day as "mainlanders" (waishengren, or "people from outside provinces"), in contrast to the "native Taiwanese."
(bendiren, or “people of this place”) who now make up 85% of the population.21

3. The KMT suppresses dissent with the 2-28 massacre and the temporary provisions suspending the Constitution (1948-1991)

Despite the U.S.’ promotion of Taiwan to the world as the democratic alternative to Communist China, the KMT suppressed all forms of dissent. The most prominent symbol of KMT authoritarianism is the “2-28 Massacre” which took place in 1947, two years before Chiang Kai-shek transferred his KMT government to Taiwan.

After its return from Japanese rule in 1945, the island of Taiwan had been peripheral to the plans of the KMT in its civil war against the Communists. Chiang Kai-shek placed Taiwan under the corrupt administration of Chen Yi. Tensions between the KMT and the native Taiwanese came to a head on February 28, 1947 as the police beating of a woman selling contraband cigarettes turned into an island-wide riot. The KMT imprisoned thousands and carried out mass executions in the cities of Taipei, Kaohsiung and Keelung.22 The subsequent terror “cowed Taiwan’s educated class and social elite into a silence that lasted for decades.”23

When the KMT fled to Taiwan in 1949, it continued its imposition of the “Temporary Provisions Effective During the Period of Mobilization for the Suppression of Communist Rebellion,” started the year before. The Temporary Provisions suspended certain sections of the Constitution, and banned the formation of new political parties.24 The KMT subsequently imposed martial law on Taiwan, restricting public gatherings, criminalizing dissident activity, outlawing new political parties, and freezing the number of newspaper licenses.25 The KMT also preemptively infiltrated every facet of civil society, and thus was able to “monitor, control, and deactivate potential opposition in all social sectors.”26 The KMT justified these measures as necessary for achieving its pipe dream of retaking the Chinese mainland from the Communists.27

The U.S. was ready to withdraw its support of the KMT as rightful ruler of China in the late 1940s because of the KMT’s corruption and

21 Robert A. Scalapino, Foreword to TAIWAN’S ELECTORAL POLITICS AND DEMOCRATIC TRANSITION ix, xii (Hung-Mao Tien ed., 1996).
23 Id.
25 RIGGER, supra note 22, at 71-73.
26 HUANG, supra note 19, at 108.
incompetence. The U.S., however, reversed its position with the outbreak of the Korean War, when President Truman sent the U.S. Seventh Fleet to the Taiwan Strait to protect Taiwan from the mainland. The U.S. now viewed Taiwan as a cornerstone for the containment of communism in Asia and made its security commitment official with the 1954 U.S.-R.O.C. Mutual Defense Treaty. Over the vehement opposition of the PRC, U.S. support allowed the KMT government in Taiwan to retain China’s seat in the United Nations and other international organizations after it fled the mainland. This renewal of U.S. support of the KMT, however, had everything to do with external political reasons, and nothing to do with any true push for democracy within Taiwan itself.

4. Taiwan’s economic miracle

Under the Temporary Provisions, the KMT led Taiwan through a period of economic growth and prosperity that it is widely known as the “Taiwan miracle.” In the 1950s, Taiwan was poorer than most African countries today. During the second half of the 20th century, Taiwan’s per capita GNP skyrocketed from $167 in 1953 to $3,784 in 1986 to $10,566 in 1993, leading the world in this category for the period 1968 to 1998. In 2001, Taiwan was the 14th leading exporter and 16th leading importer of merchandise in the world, despite being an island about the size of Massachusetts, Rhode Island, and Connecticut combined.

The U.S. helped start Taiwan’s economic boom, providing substantial direct economic aid, and assisting Taiwanese engineers and economists,
mostly educated in the West, in implementing land reform policies in the 1950s. The KMT, however, refused to open up its economy for decades. In 1953, the KMT government adopted a strategy of import substitution, with direct subsidies, tariffs and price supports, to replace imports with products made in Taiwan. These protectionist policies boosted domestic production and industrial capacity, and encouraged "rapid economic growth, especially in the industrial sector." Taiwan then shifted to an export-promotion policy in the 1960s, providing government support for capital and knowledge-intensive industries.

Taiwan's rapid economic growth, started through its protectionist policies, directly contributed to its subsequent push for democratic reform. As Huntington points out, poverty is "probably the principal obstacle to democratic development." Along the way, the corrupt KMT became the richest political party in the world, a point not lost upon the opposition.

**B. Development of the Tang-wai Opposition**

An opposition movement to the KMT grew out of the native Taiwanese population and came to be known as the "Tang-wai" (meaning "outside the party"). The Tang-wai mobilized around KMT corruption and Taiwan's declining international status in the 1970s. Through publications and demonstrations, the Tang-wai engaged the KMT in a "cat-and-mouse game" testing the limits of its tolerance, which culminated with the Kaohsiung Incident in 1979. This incident, along with the murder of Taiwan's Henry Liu on U.S. soil in 1984, finally sparked U.S. criticism of the long-oppressive KMT government. The KMT struggled to balance its authoritarian instincts against its fear of losing domestic and international favor.

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38 RIGGER, supra note 22, at 68-69.
39 Dickson, supra note 14, at 46. "[F]rom the early 1950s to 1960, U.S. aid provided 40 percent of Taiwan's capital formation, most of it helping the industrial sector." COPPER, supra note 24, at 134.
40 RIGGER, supra note 22, at 69.
41 Scalapino, supra note 21, at x.
42 COPPER, supra note 24, at 135, 138-39.
43 HUNTINGTON, supra note 8, at 311 (emphasis added).
44 COPPER, supra note 11, at 53; "Conservative estimates place the worth of this empire at about U.S. $9 billion with yearly dividends exceeding U.S. $140 million." Cheng-Tian Kuo, *Taiwan's Distorted Democracy in Comparative Perspective, in TAIWAN IN PERSPECTIVE* 85, 94 (Wei-Chin Lee, ed., 2000).
45 RIGGER, supra note 22, at 113.
46 Id. at 113.
1. Taiwan’s declining international status due to the U.S. betrayal in the 1970s spurred the Tang-wai

National crises are inherently destabilizing, and under the right circumstances may lead to a push for democratization. The 1970s were the darkest period in Taiwan’s postwar history, both politically and economically. After decades of holding Taiwan up to the world as the “Free China” alternative to Communist China, the U.S. betrayed Taiwan and started the world-wide shift of diplomatic recognition from the KMT to the PRC. As Taiwan lost legitimacy internationally, the Tang-wai opposition mobilized, and the KMT was forced to try to regain legitimacy at home as well as abroad.

Throughout the 1950s and ‘60s, the KMT government stubbornly continued to demand international recognition as the sole and rightful ruler of China (the KMT’s original “one-China” policy), despite the clear consolidation of PRC rule on the Chinese mainland. This was “the most thorny obstacle to Taiwan’s efforts to gain international recognition and democratize.” Under the pressure of the Kennedy administration, Chiang Kai-shek reluctantly gave up his plans for waging military operations on the mainland in 1961-62. The KMT government finally decided to contemplate dual recognition of Taiwan and the PRC in the 1990s, but by this time, the PRC was strong enough to demand sole recognition for itself.

Eventually practical considerations became more important than ideological obligations for the U.S. When a unique opportunity to develop relations with the future world power, China, presented itself, President Nixon seized it. Nixon’s visit to China in 1972 started a wave of international recognition of the PRC, at the expense of the KMT. On the eve of the United Nations’ vote on the matter in 1972, the outcome was already clear, and the KMT preemptively withdrew from the UN out of protest.

The loss of its UN seat meant much more than simple international embarrassment for Taiwan. As a result of its subsequent loss of diplomatic

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47 Henry Kissinger later noted in his memoirs, “[N]o government less deserved what was about to happen to it than that of Taiwan.” SPENCE, supra note 13, at 630.

48 Scalapino, supra note 21, at xi.

49 Shiau, supra note 30, at 109.

50 Chu & Lin, supra note 31, at 117.

51 RIGGER, supra note 22, at 61.

52 Shiau, supra note 30, at 104-5.
ties with most countries in the early 1970s, Taiwanese passports were no longer accepted by most countries, hamstringing Taiwanese business and travel. Taiwan's international isolation also made it an area of high risk for foreign investment, which compounded its economic struggles resulting from the world-wide oil crisis of 1973. The U.S.' disengagement from Vietnam and Asia sparked fears that the U.S. might also withdraw its military protection of Taiwan. Taiwan's dark decade was capped with President Carter's normalization of U.S. relations with the PRC in 1979, at the cost of severing U.S. ties with Taiwan. Taiwan's international standing would only begin to recover in 1989, after the PRC carried out the Tiananmen massacre.

Angered by the fact that it was not consulted in President Carter's decisions, the anti-Communist U.S. Congress demanded concessions. With the U.S.-R.O.C. Mutual Defense Treaty set to expire in January 1980, the U.S. Congress enacted the Taiwan Relations Act (TRA) of 1979. The TRA provided for the continued U.S. military protection of Taiwan against mainland China, and for arms sales to Taiwan "in such quantity as may be necessary to maintain a sufficient self-defense capability." It also established the American Institute of Taiwan, an unofficial U.S. embassy in Taipei. The TRA did not, however, clearly define the U.S. stance on whether Taiwan was a "renegade province" as the PRC insisted (the PRC's "one-China" policy), whether Taiwan should eventually reunify with the mainland on equal terms (the KMT's revised "one-China" policy), or whether Taiwan was a completely independent nation (the "two-Chinas" or "Taiwanese Independence" policy). It also left unclear the exact circumstances that would give rise to U.S. military intervention on behalf of Taiwan. The deliberately ambiguous TRA has been the foundation of U.S. foreign policy towards Taiwan and the PRC to this day, effectively maintaining the status quo in the region for two decades.

In the eyes of the developing Tang-wai opposition, Taiwan's setbacks in international diplomacy and clear inability to retake the mainland meant that the KMT's justifications for martial law no longer held water.

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53 To this day, Taiwan is left with few diplomatic partners, comprised mostly of small, developing countries in Central and South America and the South Pacific. Rigger, supra note 22, at 61.
54 Shiau, supra note 30, at 110.
55 Id.
56 Steven M. Goldstein & Randall Schriver, An Uncertain Relationship: The United States, Taiwan and the Taiwan Relations Act, in Taiwan in the Twentieth Century: A Retrospective View 147, 148 (Richard Louis Edmonds & Steven M. Goldstein eds., 2001).
58 Chua Beng Huat, Defeat of the KMT: Implications for One-Party Quasi-Democratic Regimes in Southeast Asia, in Taiwan's Presidential Politics: Democratization and
Taiwan’s decade of crisis brought upon by U.S. betrayal ended up forcing the KMT to push for more democratic reform to both appease the masses and regain international favor.

2. KMT vote-buying and alliances with factions and the mafia

Alliances between the KMT and local factions59 “helped maintain the stability of the authoritarian system for many years.”60 By controlling most of the country’s economic and political resources, the KMT maintained power by controlling local factions and the mafia through a system of patronage,61 and by “turning a blind eye to vote buying and corruption.”62 Chiang Kai-shek also implemented electoral laws and structures advantageous to the party in power.63 Furthermore, the KMT held the leash on the anticorruption watchdog, the Control Yuan, by controlling the selection of its members.64

Nevertheless, the U.S. would continue its public adulation of Taiwanese democracy until the 1980s.

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59 “A person is in a faction if he or she exchanges favors with other faction members; no ceremony or formal act indicates a person has joined a faction....Factions are inherently vague and ambiguous.” JOSEPH BOSCO, Taiwan Factions: Guanxi, Patronage, and the State in Local Politics, in THE OTHER TAIWAN: 1945 TO THE PRESENT 114, 123 (Murray A. Rubenstein ed., 1994).


61 Huang, supra note 19, at 107-08.

62 Rigger, supra note 22, at 149.

63 The KMT prohibited candidates from coordinating campaign efforts across electoral districts, which reduced the chance of any possible emergence of an opposition party. Huang, supra note 19, at 107. Furthermore, the KMT inherited an electoral system from Japanese rule called the “Single Non-Transferable Vote” (SNTV) Electoral System that was advantageous for well-organized parties. Under this system, instead of running for particular seats for which there would be only two or three candidates in the U.S. party system, candidates run for multiple seats within multimember districts. For example, five candidates might run for three seats, and the three candidates receiving the most votes wins. Each voter has only one vote within his or her multimember district. As the most organized party, the KMT was usually able to achieve an optimal allocation of the votes available to them, further reducing the seats available to any opposition. See John Fuh-sheng Hsieh, The SNTV System and Its Political Implications, in TAIWAN’S ELECTORAL POLITICS AND DEMOCRATIC TRANSITION 193, 193-209 (Hung-Mao Tien ed., 1996).

64 JAUSHIEH JOSEPH WU, TAIWAN’S DEMOCRATIZATION 127 (1995). For an introduction to Taiwan’s five branches of government, called “Yuans”, see supra Part IV.A.1.a.
As Shelley Rigger puts it, "It is hard to say which is more difficult: finding someone in Taiwan who denies that vote buying exists, or finding concrete evidence to prove that it does." 65 Taiwan’s elections are "inordinately expensive." 66 As the Tang-wai opposition developed in the 1970s and '80s, the KMT felt compelled to promise more and more spoils of office to the local factions. 67 Published reports on vote-buying priced votes at NT $500-$2000 per eligible voter, 68 or roughly US $20-$100. As recently as 1994, one-quarter of elected council representatives at the town level and one-third at the county-city level had known gang connections. 69 Corrupt elections, plus a propensity for in-session slapping and water-throwing brawls, 70 made for a Legislative Yuan that is the laughing-stock of the world. 71

This system, however, changed from KMT tool to KMT thorn within a generation, as it energized the Tang-wai opposition. The 1977 elections were a major turning point, as a split between the KMT and the local factions allowed the Tang-wai to gain a foothold in electoral politics. 72 The Democratic Progressive Party (DPP) would grow out of the Tang-wai and eventually adopt as its platform the end of KMT corruption. In large part due to the role of the DPP, the problem of vote-buying was "appreciably less" as early as the 1994 elections. 73 Chen Shui-bian rode his platform of ending "black-gold" politics to victory in the historic 2000 Presidential Election. Nevertheless, given the widespread reports of elected KMT officials embezzling relief funds for the devastating September 1999 earthquake, 74 and a current vote-buying scandal implicating several DPP

65 RIGGER, supra note 22, at 94.
67 Dickson, supra note 14, at 42, 43.
68 Tien, supra note 60, at 19.
69 Kuo, supra note 44, at 96. Some candidates publicly made part of their platform their need of the privilege of immunity given to office holders so they could stay out of jail. COPPER, supra note 11, at 77.
70 See COPPER, supra note 11, at 64; WACHMAN, supra note 27, at 186-88.
72 RIGGER, supra note 22, at 114.
73 See COPPER, supra note 11, at 122.
officials in the city of Kaohsiung, it is clear that corruption will be a major issue in Taiwanese politics for years to come.

3. The Senior Parliamentarian problem

A major symbol of the inherent unfairness of the KMT government was the so-called "senior parliamentarian problem." The Tang-wai rallied around this redundant administrative structure used by the KMT to maintain control over "democratic" Taiwan.

When the KMT fled the mainland, it brought an entire administrative apparatus designed to rule not just Taiwan but all of China. The KMT's governmental structure optimistically included a central government with representation from all the provinces of mainland China, and a separate provincial government for the province of Taiwan. Under the Temporary Provisions, the central governmental representatives, called "senior parliamentarians," remained frozen in office for over forty years, pending a retaking of the Chinese mainland that would never happen. These senior parliamentarians dominated the KMT, constituting 91% of the National Assembly and 76% of the Legislative Yuan as late as 1988. This bureaucratic structure served as a major impediment to democratic reform, and a blatant injustice around which the Tang-wai opposition mobilized.

In response to cries from the opposition, President Lee Teng-hui would call a National Affairs Conference in 1990, which recommended among other things the abolishment of the senior parliamentarians. In 1991, they would agree to finally give up their seats in exchange for very handsome pensions.

4. The Kaohsiung Incident (1979) polarizes the Tang-wai

The modern polarizing event for the Tang-wai opposition, akin to the 2-28 Massacre of 1947, was the Kaohsiung Incident of December 1979.
The U.S. had officially normalized its relations with the PRC earlier that year, at the expense of the KMT. Subsequently, the KMT postponed the upcoming local elections in Taiwan, citing global instability. \(^{81}\) Tang-wai activists protested, and formed the Formosa opposition faction. \(^{82}\)

The Formosa faction sponsored a December 10\(^{th}\) rally commemorating International Human Rights Day, to be held in Kaohsiung city. \(^{83}\) A riot erupted. Although no one was killed, the KMT reacted by arresting the entire Formosa leadership, many of whom were candidates in the upcoming elections. While most of the public had previously disapproved of Formosa's tactics, the prisoners won the sympathies of a significant minority of Taiwan's electorate. \(^{84}\) Several of the imprisoned candidates' wives or attorneys stood in their places in the 1980 elections, \(^{85}\) and the Tang-wai received 41\% of the vote, its highest share ever. \(^{86}\)

The Kaohsiung Incident served as a springboard for Taiwan's rapid democratization in the 1980s and '90s. Without the opposition's "credible threat to take to the street," the reformers from within the KMT would not have been as persuasive. \(^{87}\) The Kaohsiung trials attracted the attention of Amnesty International, which labeled the defendants, "prisoners of conscience." \(^{88}\) The U.S. Congress openly expressed concern for Taiwan's human rights for the first time when it passed the Taiwan Relations Act that year. \(^{89}\) Furthermore, much of the DPP's future leadership, including the DPP's winning ticket in the landmark 2000 Presidential Election, was directly involved in the Incident. President Chen Shui-bian was a defense lawyer for the Kaohsiung defendants, \(^{90}\) and his Vice-President Annette Lu was one of those imprisoned. \(^{91}\)

\(^{81}\) PETER R. MOODY, JR., POLITICAL CHANGE ON TAIWAN: A STUDY OF RULING PARTY ADAPTABILITY 83 (1992); RIGGER, supra note 22, at 116.

\(^{82}\) RIGGER, supra note 22, at 116-17.

\(^{83}\) WACHMAN, supra note 27, at 140.

\(^{84}\) RIGGER, supra note 22, at 118.

\(^{85}\) MOODY, JR., supra note 81, at 83.

\(^{86}\) Dickson, supra note 14, at 61.

\(^{87}\) TIEN & CHENG, supra note 80, at 25.

\(^{88}\) RIGGER, supra note 22, at 117.

\(^{89}\) COPPER, supra note 11, at 27.

\(^{90}\) SHELLEY RIGGER, FROM OPPOSITION TO POWER: TAIWAN'S DEMOCRATIC PROGRESSIVE PARTY 21 (2001).

\(^{91}\) Id. at 187.
5. The murder of Henry Liu sparks U.S. criticism of the KMT

The major event that finally gave rise to open U.S. criticism of Taiwanese democracy was the 1984 murder of Henry Liu, a Taiwanese journalist living in San Francisco.\(^2\) Liu had written an unflattering biography of then President Chiang Ching-kuo. Chiang's son, Hsiao-wu, allegedly retaliated by ordering the hit. After the murder, President Reagan began pressuring the KMT to implement democratic reform.\(^3\) In 1986, after holding hearings on Taiwanese democracy and traveling to Taiwan to observe elections,\(^4\) the U.S. Congress called on the KMT to lift martial law.\(^5\) Some members of Congress tried to make continued arms sales contingent on Taiwan's progress in democratic reforms.\(^6\)

This U.S. criticism of the KMT's anti-democratic practices certainly played a role in Taiwanese democratization, but it only started in earnest after over three decades of KMT authoritarian rule. Taiwanese democracy had been given room to develop for decades free of constant U.S. scrutiny, unlike those in Afghanistan and Iraq today.

C. President Chiang Ching-kuo: Self-Interested Democratizer

While citizens of most countries subject to authoritarian rule vote out the ruling party at the first opportunity, the KMT remarkably remained in power throughout Taiwan's implementation of national elections in the 1990s. This was in large part because KMT President Chiang Ching-kuo and then President Lee Teng-hui skillfully led the drive for democracy themselves in the 1980s and '90s, albeit mostly out of self-interest, and only with the belief that they could contain its effects.

April 1975 marked the death of the authoritarian Chiang Kai-shek, president since he led the KMT flight from the Chinese mainland in 1949. The party leaders' loyalty to the father did not automatically transfer to the son.\(^7\) Chiang Ching-kuo, premier since 1972, had to overcome the dominant conservative faction of the KMT to rise to the presidency in 1978. Chiang Ching-kuo's strategy was to appeal directly to the people, arguing


\(^3\) Ian Buruma, *Taiwan's New Nationalists*, FOREIGN AFF. July-Aug. 1996 at 77 88.

\(^4\) COPPER, *supra* note 11, at 28.

\(^5\) Buruma, *supra* note 92, at 88.

\(^6\) COPPER, *supra* note 11, at 28.

\(^7\) Dickson, *supra* note 14, at 52.
that Taiwan would not survive long without reform, given its increasingly precarious international position.\(^9\)

Chiang Ching-kuo spear-headed Taiwan’s democratization. To satisfy the native Taiwanese that represented over 75% of new KMT recruits by 1974,\(^9\) Chiang opened up the KMT leadership with an active indigenization or “Taiwanization policy.” Native Taiwanese representation in the KMT Central Committee would go up from 14.6% in 1976, just before Chiang Ching-kuo became president, to 34.4% in 1988, the year of his death.\(^10\) In 1982, Chiang Ching-kuo took the unprecedented step of naming as Vice-President a native Taiwanese, Lee Teng-hui, raising the ire of the KMT conservatives.

Chiang Ching-kuo’s most important contribution to Taiwanese democracy, however, was one of restraint. In 1986, the Tang-wai opposition dared to form a new party named the Democratic Progressive Party (DPP). At the time, the formation of new political parties was still illegal under the Temporary Provisions that had been in place since 1948. Chiang’s father had previously thrown Lei Chan, the leader of a would-be political party, in jail for ten years in 1960.\(^10\) Ignoring the calls of the KMT conservatives, Chiang Ching-kuo announced to the world, in an interview with the Washington Post’s Katherine Graham, that he would allow the formation of the DPP and other new parties. The only requirement was these new parties would have to support the KMT’s revised “one-China” policy of eventual reunification with the mainland, and oppose communism.\(^10\) The number of political parties would explode, from the lone KMT party in 1986 to 82 parties by 1996.\(^10\)

In this same Washington Post interview, Chiang announced his intention to lift martial law, which he carried out the following year.\(^10\) This removed most restrictions on large-scale protests, thus providing the primary vehicle for the rise of the DPP. Additionally, it transferred the supervision of the media from the military to the Executive Yuan.\(^10\) Scores of newspapers popped up,\(^10\) and Taiwan would become known for its “vigorous journalism.”\(^10\)

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98 RIGGER, supra note 22, at 80.
99 Dickson, supra note 14, at 56.
100 Huang, supra note 19, at 118.
101 Dickson, supra note 14, at 47.
102 RIGGER, supra note 22, at 126.
103 I-chou Liu, The Development of the Opposition, in DEMOCRATIZATION IN TAIWAN 67, 67 (Steve Tsang & Hung-mao Tien eds., Hong Kong University Press 1999).
104 RIGGER, supra note 22, at 126, 128.
105 Id. at 128.
106 Id. at 129.
107 Robinson, supra note 66, at 160.
Later, in October 1987, the Executive Yuan lifted the ban on Taiwanese travel to mainland China, under Chiang Ching-kuo's direction. Although officially no direct travel or investment was permitted, the KMT tacitly allowed Taiwanese businesspeople to set up manufacturing plants and export businesses on the mainland. By 1993, estimates of these business interests reached as high as U.S. $15 billion.

Although there is legitimate concern as to the effects this will have on Taiwanese labor and domestic production, many observers believe that establishing such business connections between Taiwan and China will be the key to long-term peace in the region, and perhaps even to the democratization of China itself.

Despite implementing extensive democratic reform, President Chiang Ching-kuo was no democrat at heart. He rolled the dice and carried out reform largely in an attempt to consolidate his power, in response to the KMT's increasingly precarious position both at home and especially abroad. It was no accident that Chiang made his 1986 announcement, not through the Taiwanese media, but rather through the Washington Post. If Chiang thought these changes would satisfy the Tang-wai, however, he was mistaken. Instead of winning the support and adulation of the opposition, the reforms of the 1980s only "whetted their appetite for even deeper reform."


The Democratic Progressive Party (DPP) overcame considerable odds to end fifty years of continuous KMT rule in 2000. Many observers predicted at its creation in 1986 that the DPP would quickly collapse, as it faced an immediate threat of factionalism within the party. Furthermore, most scholars believed that while it may be able to gain power in local elections, the voters would not risk entrusting the national future to the radical DPP.

The Tiananmen massacre on the mainland in 1989 served as a unifying force for the DPP. In a settlement between elites in the 1991 DPP Party Congress, the factions agreed to unify around nation-building, a realignment within the DPP, and most controversially, the canonization of

108 RIGGER, supra note 22, at 129.
109 Id. at 168.
110 Dickson, supra note 14, at 64.
111 RIGGER, supra note 22, at 131.
the Taiwanese independence movement. In contrast, the KMT supported the status-quo, which was the goal of eventual reunification with mainland China, on equal terms.

The DPP took advantage of the end of martial law to sponsor large-scale (5,000 or more participants) political rallies and protests. The number of these protests rose from 175 in 1983, to 335 in 1986, and again to 1,172 in 1988. Eventually the DPP realized that its platform of Taiwanese independence was too controversial to garner mass public support, and the DPP changed its focus to ending KMT corruption. The DPP's new platform to end the KMT's "black-gold" politics would eventually bring its candidate Chen Shui-bian to the presidency in 2000.

E. President Lee Teng-hui Leads Taiwan to National Elections to Consolidate His Power

Because the U.S. wanted to present Taiwan to the world as a model of democracy, genuine or not, the U.S. did not openly criticize Taiwan's lack of national elections for decades. Unlike many Cold War props or what seems likely to occur in Afghanistan and Iraq today, Taiwan did not have one landmark election imposed from the outside, but rather a series of new elections that developed internally and over time. Taiwan's democratization started with local elections in the 1950s. In 1969 and 1972, the KMT held supplemental elections to fill the seats frozen in the Legislative Yuan since the implementation of the Temporary Provisions, vacant only due to death. Taiwan's national offices were finally put in the hands of the people during the 1990s. The slow development of Taiwan's electoral system over a half-century, largely free of U.S. demands, allowed Taiwan to institute democratic reform gradually and on its own terms.

In Taiwan's second national presidential election ever in 2000, the DPP's Chen Shui-bian defeated the KMT candidate, Lien Chan. By carrying out a historic and peaceful transition of power, Taiwan passed this well-known litmus test signifying the consolidation of a nascent democracy. Chen Shui-bian's presidency has, however, unfortunately been marked by the DPP's inexperience, and many observers predict the people will vote him out of office in 2004. Nevertheless, a return to KMT rule should not be seen as a sign of weakness for Taiwan's democracy, but rather of its

114 Huang, supra note 19, at 112.
strength, as the formerly authoritarian KMT will have submitted to the rule of the ballot box and the people, both in defeat and in victory.116

1. Toward national elections

President Chiang Ching-kuo laid the foundation for Taiwan’s democratic reform, permitting the formation of new political parties in 1986. His successor, Lee Teng-hui would push reform to completion, implementing national elections in the 1990s. Remarkably, Taiwan went from martial law to full-fledged democracy within only a decade and a half.

   a. The death of Chiang Ching-kuo splits the KMT Party

The death of Chiang Ching-kuo in 1988 eventually led to the split of the KMT party into two coalitions. The “mainstream” coalition formed around Chiang’s Vice-President, Lee Teng-hui, and stood for the Taiwanization of the party and the acceleration of Taiwan’s transition from dictatorship to representative democracy. The “non-mainstream” coalition was comprised of mostly conservative mainlanders and the military, and supported authoritarian rule and the KMT’s revised “one-China” policy of eventual reunification with China.


Like Chiang Ching-kuo before him, the uncertainty of Lee Teng-hui’s accession to power proved to be a boon for Taiwan’s democratization. As with Chiang, most observers predicted that Lee would not be able to consolidate power upon his predecessor’s death.117 Lee defied these predictions and essentially performed the function of a “political bulldozer,” clearing away all obstacles to the possibility of a peaceful and democratic transition of power at the end of his rule.118

President Lee used an active platform of reform to gain the support of the opposition and native Taiwanese, and ward off the advances of the more conservative elements in the KMT party. Lee also targeted civil society,

116 According to Huntington, one criteria for measuring the consolidation of democratic rule is the two-turnover test. A second turnover shows that “two major groups of political leaders in the society are sufficiently committed to democracy to surrender office and power after losing an election,” and that the country is committed to the principle that “when things go wrong, you change the rulers, not the regime.” HUNTINGTON, supra note 8, at 266-67.

117 RIGGER, supra note 22, at 131.

including local factions and business groups, for sources of support. In 1991, Lee called for the end of the Temporary Provisions that had suspended much of the Constitution since 1948. Symbolically, in March 1995, Lee ended decades of KMT censorship and apologized on behalf of the KMT for the 2-28 Massacre of 1947. Furthermore, President Lee started the process of democratizing the political processes within the KMT itself, unlike his predecessors who did not permit any challenges from within the party.

Significantly, under Lee, the KMT developed a new, more sophisticated policy toward the mainland. It declared Taiwan a "separate political entity," but without forsaking the theme of eventual reunification. The KMT, however, would only push for reunification if and when "the PRC abides by Sun Yat-sen's [democratic] principles." This clever policy caught Communist China in a political bind in the international community, and gained the support of the majority of the native Taiwanese. Unfortunately for the KMT, this and other reforms also led to its division, and the non-mainstream coalition split off to form the New Party in 1993.

President Lee also reorganized Taiwan's foreign policy, establishing a policy of "pragmatic" or "flexible" diplomacy. Lee implemented a "checkbook" diplomacy by which Taiwan essentially bought the recognition of several small third-world nations. Lee also reversed Taiwan's self-imposed isolation from international organizations. Under Lee, Taiwan no longer insisted that only one China could be represented in international organizations. In 1990, Taiwan applied to the General Agreement on Tariffs and Trade (GATT), and in summer 1993 it appealed for a return to the UN. Later in 2001, Taiwan, along with mainland China, would join the World Trade Organization (WTO).

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119 Shiau, supra note 30, at 111.
120 Coppper, supra note 11, at 63; See Moody, Jr., supra note 81, at 42-43.
121 Huang, supra note 19, at 121-22.
122 Scalapino, supra note 21, at xiv.
123 Id.
124 Shiau, supra note 30, at 111.
126 Rigger, supra note 22, at 154-55.
127 Id. at 155.
128 Shiau, supra note 30, at 111.
c. The 1990 National Affairs Conference sets the agenda for democratic reform

In mid-1990, President Lee honored a campaign pledge and convened a National Affairs Conference (NAC), designated to develop a consensus on constitutional reform. Lee created this “extra-constitutional institution” to “negotiate the conditions of a post-authoritarian state.”

Under Lee’s direction, the NAC called for the election of a new National Assembly, the revision of the Constitution, and the abolishment of the Temporary Provisions. It recommended elections for the Provincial Governor and the Mayors of Taipei and Kaohsiung, starting in 1994. The NAC demanded the retirement of the senior parliamentarians, who would step down in 1991. Furthermore, it called for a popular election for the National Assembly, the Legislative Yuan, and possibly even the President, which would happen in 1991, 1992, and 1996 respectively.

d. The nominal roles of the National Assembly and Legislative Yuan.

Although the National Assembly and Legislative Yuan passed a lot of constitutional amendments and legislation implementing democratic reform in the 1990s, they did so only under the direction of President Lee Teng-hui. Throughout their histories, these national bodies have been filled with mobsters, the beneficiaries of the corrupt vote-buying system of the KMT. They are better known nationally and internationally as “pugilist dens,” because of the frequent brawls that break out between politicians while in session. Nevertheless, the U.S. maintained its public admiration of Taiwanese democracy for decades.

The National Assembly would pass six sets of amendments to the Constitution in the 1990s, carrying out the mandate of President Lee and his National Affairs Conference (NAC). Most significantly, in May 1991, the First National Assembly repealed the Temporary Provisions by passing ten amendments to the Constitution. In May 1992 and July 1994, the Second National Assembly passed eight more amendments to the Constitution, providing for elections for the President, the Vice-President, the Provincial Governor, and the Mayors of Taipei and Kaohsiung. The Legislative Yuan subsequently promulgated the Presidential and Vice-Presidential

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129 Rigger, supra note 22, at 151-52.
130 John F. Copper, as Taiwan Approaches the New Millennium: Essays on Politics and Foreign Affairs 68 (1999).
131 Tozzi, supra note 18, at 1245.
132 Copper, supra note 11, at 98.
Election and Recall Law in August 1995, governing candidacy and campaign rules.\textsuperscript{133}

Neither the Legislative Yuan nor the National Assembly can be viewed, however, as leaders in Taiwan's democratization. How President Lee convinced them not to vehemently block his reforms is unclear and an important subject for future study. Perhaps Lee simply bought their support by allowing legislators to continue abusing their powers, as evident in his tacit acceptance of their self-serving vote to extend their own terms by two years in September 1999.\textsuperscript{134} Or perhaps these KMT-dominated bodies simply never envisioned the possibility of ever actually being voted out. They only circled the wagons after Chen Shui-bian's victory in 2000, when they started their unabashed obstruction of any and all DPP initiatives.\textsuperscript{135}


The late 1980s and early 1990s in Taiwan saw the implementation of national elections for the National Assembly, Legislative Yuan, Provincial Governor, and Mayors of Taipei and Kaohsiung. They also saw both the explosion of money politics in Taiwan and a popular backlash against it. KMT support had previously guaranteed victory for its candidates, but this became less and less the case. Younger KMT members increasingly resisted party discipline and ran as independents after being denied official nomination by the party.\textsuperscript{136} As individual voters grew more inclined to vote for individual candidates based not on the KMT's preferences but their own,\textsuperscript{137} the KMT felt more and more compelled to pay off factions and the mafia, until the cycle broke in 2000.

a. The 1991 National Assembly elections cause the DPP to change its platform

In 1991, the Taiwanese people elected for the first time the representatives to the National Assembly, the body empowered to amend

\textsuperscript{133} Id.

\textsuperscript{134} For an account of this "self-fattening soap opera," see Rigger, supra note 90, at 112-16; Chu, supra note 118, at 90.

\textsuperscript{135} "[President] Chen could well cite the KMT's obstacles to political reform in order to make a strong case to the Taiwanese people for a DPP-controlled Legislative Yuan." Muthiah Alagappa, Introduction: Presidential Election, Democratization, and Cross-Strait Relations, Taiwan's Presidential Politics: Democratization and Cross-Strait Relations in the Twenty-First Century 3, 18 (Muthiah Alagappa ed., 2001).

\textsuperscript{136} Dickson, supra note 14, at 60.

\textsuperscript{137} Id.
the Constitution, and before 1996, to elect the President and Vice-President. They, however, chose not to vote out the ruling KMT party. The DPP had been growing since its inception in 1986, but the KMT won in a landslide, gaining 67.7% of the popular vote. This caused the DPP to shift its party platform to the end of KMT “black-gold” politics. This move to the center would prove key for the DPP, as the Taiwanese people had looked upon its previous platform of Taiwanese independence as synonymous with an unwanted war with mainland China. Due in large part to the DPP’s new platform, the 1991 elections would be the last in which the KMT successfully used money politics to control the local factions.

b. The 1992 Legislative Yuan elections finalize the KMT split

The 1992 elections were the first in which the Taiwanese people elected the members of the Legislative Yuan. These elections finalized the split in the ruling KMT party. The KMT still won handily, but the DPP gained ground with its new campaign strategy, with attention paid to fair taxes, the environment, social welfare, housing, and improvements in public transportation. Internal tensions within the KMT exploded, as Lee Teng-hui forced out his Premier, the military’s Hau Pei-tsun, in 1993, and the conservative non-mainstream coalition broke off to form the New Party (NP).

c. The 1994 elections give rise to future national leaders

In the 1994 elections, the Taiwanese people elected the Provincial Governor for the first time ever, and the Mayors of Taipei and Kaohsiung for the first time since 1964 and 1977 respectively. These elections were the first three-party elections in Taiwan’s history, between the KMT, the newly formed New Party (NP), and the DPP.

The 1994 elections marked the ascension to national prominence of two significant players in the upcoming landmark 2000 Presidential

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140 Domes, supra note 138, at 55.

141 The artifact from the original KMT governmental structure brought over from the mainland designated to rule the “province” of Taiwan while the president was designated to rule over all of China. See supra Part III.B.3.

142 COPPER, supra note 11, at 2.

143 Id. at 2-3.
Election. The Provincial Governorship was won in a landslide by the KMT’s James Soong, whose squabbles with President Lee Teng-hui would later cause yet another split within the KMT party. Meanwhile, the DPP scored its first major electoral victory, carrying the Taipei mayoral election with its candidate, the future President Chen Shui-bian.

3. On to direct presidential elections

The KMT would hold onto power in the first Presidential Election in Taiwan’s history, called for and won by President Lee Teng-hui in 1996. Largely due to a split in the KMT party, however, the DPP’s candidate Chen Shui-bian would emerge victorious in the 2000 Presidential Election.

a. Lee calls for and wins Taiwan’s first Presidential Election (1996)

Lee Teng-hui, president since Chiang Ching-kuo’s death in 1988, called for and won Taiwan’s inaugural presidential election in 1996. The election itself, plus Lee’s increasingly public leanings toward Taiwanese independence, caused a great uproar in Communist China, and led to China’s foray into what has been dubbed “missile diplomacy.” The PRC campaigned against President Lee by launching two missiles over Taiwan, as a warning for the Taiwanese people. Nevertheless, on March 23, 1996, after the U.S. had sent two aircraft carrier battle groups to patrol the Taiwan Strait, 74% of Taiwanese voters defied the PRC. The people re-elected President Lee Teng-hui, making him the first democratically elected president in Chinese history.

The international community praised President Lee, even nominating him for the Nobel Peace Prize in 1996. Lee, however, would later fall out of favor in the KMT, as distraught KMT supporters would blame him for its failure in the historic 2000 Presidential Election.

b. The 2000 Presidential Election: the first democratic transition of power in China’s 5,000 year history

Chen Shui-bian’s historic victory in the 2000 Presidential Election was hailed world-wide as the first democratic transition of power in China’s 5,000 year history.
5,000 year history. This DPP victory was, however, due more to internal division within the KMT than to any increase in popular support for the DPP. President Chen was extremely fortunate to win with only 39% of the popular vote, and many observers predict he will lose the upcoming 2004 Presidential Election.

4. Another KMT split opens the door for the DPP

Instead of designating James Soong as his successor, President Lee chose the unpopular Lien Chan. Soong should have been the logical choice for the KMT's presidential candidate in 2000, as he had won the national election for Provincial Governor in 1994, and was probably the most popular political figure in Taiwan. Soong would have his revenge for this slight, as he broke from party discipline and declared himself an independent candidate. This effectively split the KMT vote, and opened the door for Chen Shui-bian's victory in 2000.

For a variety of reasons, "stopping Soong's ascent [became] one of the overriding political missions of Lee Teng-hui." Among those publicly known are Soong's leanings toward the non-mainstream coalition, as Soong was a mainlander who favored the eventual reunification with China. As Provincial Governor, Soong had also publicly objected to a series of unfunded mandates and programs imposed upon his provincial government. He then resisted Lee's dismantling of this redundant provincial government in 1998.

Soong was the early frontrunner in the 2000 Presidential Race, but President Lee slowed his ascent by accusing him of misappropriating KMT party money. This both weakened Soong and boosted the DPP and its anti-KMT corruption platform. During the final weeks of the campaign, Lee Teng-hui "spent most of his political energy and rhetorical fire attacking Soong rather than Chen Shui-bian." Lee's actions during the 2000 campaign have given rise to speculation to this day that he had secretly supported the DPP's Chen Shui-bian from the start.

147 Independent candidate James Soong just lost with 37% of the vote. KMT candidate Lien Chan finished a distant third with 23%. DIAMOND, supra note 112, at 49.
148 Diamond, supra note 112, at 56.
149 Id.
150 RIGGER, supra note 90, at 179.
151 Diamond, supra note 112, at 57.
5. Chen Shui-bian’s DPP stumbles to victory

To the shock of the world, the DPP candidate, Chen Shui-bian emerged victorious in the 2000 Presidential Election. Chen successfully directed public attention toward the DPP’s new platform of democratization and the end of the KMT’s “black gold” politics, diverting attention from the issue of Taiwanese independence that threatened his DPP party the most.152 Chen, however, was the beneficiary of a unique set of domestic and international circumstances that pushed him to victory, and with only 39% of the vote, a minority one at that.

The 2000 Presidential Election was preceded by two symbols of blatant KMT corruption around which the DPP mobilized. In September 1999, the National Assembly amended the Constitution to extend the terms of its own members by more than 2 years. During this same month, Taiwan suffered its largest earthquake in a century, which left over 2,000 people dead and damages estimated at 10% of Taiwan’s 1999 GDP.153 There was much public outcry over widespread reports of KMT officials stealing earthquake relief funds.154

A few weeks before the election, mainland China provided its obligatory threats toward Taiwan. President Lee Teng-hui had offhandedly described cross-strait relations as a “special state-to-state relationship” during a July 1999 interview with a German radio network.155 In an attempt to nip any “Taiwanese independence” policy movement in the bud, PRC Premier Zhu Rong-ji warned the Taiwanese people that a vote for the DPP, the party traditionally associated with the “two-Chinas” policy, and its candidate Chen Shui-bian would be a vote for a PRC invasion of Taiwan.156 Like in 1996, this apparently backfired, only boosting Chen’s image in the eyes of a defiant Taiwanese public.157 Chen Shui-bian won with 39% of the vote, defeating the independent candidate James Soong by only two percentage points. The KMT candidate Lien Chan finished a dismal third, with only 23% of the vote.

Despite the DPP’s historic victory in 2000, many scholars believe that the party has come to power before its time.158 Chen’s victory by no means provided him with a strong mandate. Chen is a “triple minority” president, as he was elected with a minority of the popular vote, the DPP is a minority

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152 Cf. Diamond, supra note 112, at 68 (discussing Chen’s historic support of democratization).
153 Edmonds, supra note 74, at 14.
154 Id. at 16.
155 Rigger, supra note 90, at 180-181.
156 Diamond, supra note 112, at 74.
157 Id.
158 Chu, supra note 118, at 89.
in the Legislative Yuan, and his own faction is a minority force within the DPP itself.\textsuperscript{159} Chen’s unwillingness to understand the weakness of his position has led him through a series of political blunders upon rising to power, that have been worsened by poor provisions in the Constitution for the breaking of deadlocks between the President and the Legislative Yuan.\textsuperscript{160} Both President Chen and Vice-President Annette Lu have faced the threat of impeachment since taking office, and many predict that Chen will become a one-term president after the next election in 2004.

A return to KMT rule, however, would not be a sign of failure for democracy in Taiwan, but rather of its triumph. If this happens, the former authoritarian ruling party, the KMT, will have peacefully stepped down after losing the 2000 election, and regained its position through the ballot box, not through the sword.

\textit{IV. Internal factors far outweighed U.S. influence in producing Taiwan's democratic miracle}

The U.S. government will be tempted to hold Taiwan up as vindication for its Cold War policies, and look to its role in Taiwan as a paradigm for U.S. promotion of democratization in the future. The proper lesson for the U.S. from the Taiwan example, however, should be one of humility, not inspiration. U.S. economic aid and military protection were in fact instrumental to Taiwan’s survival in the face of the constant threat of Communist China, and also laid the foundation for Taiwan’s economic miracle. Taiwan’s successful democratization, however, resulted not from U.S. efforts, but in spite of them.\textsuperscript{161} Taiwan’s policies of economic protectionism and authoritarian rule that led to its successful democratization in the 1980s and ‘90s are virtually the opposite of those imposed by the U.S. on developing democracies during the Cold War and today. Moreover, the U.S.’ betrayal of Taiwan in the 1970s sparked a decade of crisis in Taiwan that would have most certainly given rise to a negative backlash against the U.S. and its ideals, but for internal factors unique to Taiwan. In short, the U.S. lucked out.

\begin{itemize}
\item \textsuperscript{159} Id. at 105.
\item \textsuperscript{160} Alagappa, \textit{supra} note 135, at 9-10.
\item \textsuperscript{161} Harvey J. Feldman said during a conference on Taiwan Constitutional Reform: “It was clear to me as a practitioner of policy in the State Department that the United States for long years had no Taiwan policy at all. Policy toward the Republic of China was simply an adjunct of our policy toward mainland China.” \textit{CONSTITUTIONAL REFORM AND THE FUTURE OF THE REPUBLIC OF CHINA} 1 (Harvey J. Feldman, ed., 1991).
\end{itemize}
A. Internal Factors Not Subject to U.S. Influence

Before drawing any lessons from the Taiwan example, the U.S. must recognize that several internal factors, beyond U.S. influence, gave Taiwan a significant head start over most developing democracies. There was a historical philosophical legitimacy for democracy in Taiwan through the teachings of its spiritual father Sun Yat-sen. Taiwan is an island nation, providing it a built-in security not enjoyed by continental countries. Moreover, the authoritarian mandate of the KMT government was constrained by its embarrassing flight from mainland China, its declining international status, and its status as a minority immigrant ruler of Taiwan. Furthermore, Taiwan was blessed with two powerful leaders who both had not only the goal of consolidating power through democratic reform, but also the ability to outmaneuver the dominant conservative faction of the KMT. Finally, Taiwan played an extremely sympathetic victim in the Cold War fight against the Communist menace of China, providing it for a time with unmatched international support.

1. Philosophical legitimacy for democracy

Despite the circularity of the logic, it is certainly beneficial for an incipient democracy to be able to call upon a historical philosophy that itself calls for, or is compatible with, democracy. Unlike most non-Western countries, Taiwan had this advantage in the teachings of Sun Yat-sen, and even in many aspects of the teachings of Confucius.

a. Sun Yat-sen’s *Three Principles* call for democracy

Democratic ideals in Taiwan did not have to be created from scratch as Taiwan’s political philosophy was based on its spiritual leader Dr. Sun Yat-sen and his *Three Principles of the People*: nationalism, democracy, and social welfare. Before ending several millennia of dynastic rule in China in 1912, Dr. Sun had lived for a time in the U.S. and revered the writings of Washington, Jefferson, Madison, and Lincoln. He died in 1925.

The KMT followed its creator Dr. Sun’s lead and created a constitution in late 1946, three years before it fled the mainland. The KMT modeled the Taiwanese constitution after the U.S. Constitution, calling

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162 This notably includes all Muslim countries, which are “much less democratic than their levels of economic development would predict.” Christopher Clague ET AL., *Determinants of Lasting Democracy in Poor Countries: Culture, Development, and Institutions*, 573 ANNALS AM. ACAD. POL. & SOC. SCI. 36 (2001).


164 *Id.* at 9.
for a government "of the people, by the people, and for the people."

It was designed to carry out Sun Yat-sen's *Three Principles*, which put "electoral competition at the heart of the KMT's mission as a party."

The KMT not only supported this notion, but based its legitimacy in part on its outstanding performances in Taiwan's early elections.

The R.O.C. Constitution sets up a system of checks and balances between five branches: The Executive, Legislative, Control, Examination, and Judicial Yuans. The office of the President straddles all five branches, and is distinct from the Executive Yuan. The President in theory can only promulgate laws and issue mandates with the countersignature of the Premier, the head of the Executive Yuan. The President appoints the Premier, however, and thus in reality dominates the Taiwanese political system. Under the original Constitution, the National Assembly, not the people, elects the President and Vice-President. The National Assembly also has the power to amend the Constitution.

b. Confucianism is compatible with democracy

Although Confucian values may have provided for a political stability that delayed the transition to democracy in Taiwan, there are aspects of

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165 ROC Const ch. I., art. 1; COPPER, *supra* note 11, at 10. 
166 RIGGER, *supra* note 22, at 65. 
167 *Id.* at 19. 
168 The Executive Yuan is the highest administrative organ of the state, ROC Const. ch. V, art. 53. 
169 "The Legislative Yuan shall be the highest legislative organ of the State, to be constituted of members elected by the people. It shall exercise legislative power on behalf of the people." ROC Const. ch. VI, art. 62. 
170 The Control Yuan is a general oversight branch for the other governmental branches, both on the central and local level. ROC Const. ch. IX. 
171 "The Examination Yuan shall be the highest examination organ of the State and shall have charge of matters relating to examination, employment, registration, service rating, scale of salaries, promotion and transfer, security of tenure, commendation, pecuniary aid in case of death, retirement and old age pension." ROC Const. ch. VIII, art. 83. 
172 ROC Const. ch. VII. 
173 ROC Const. ch. IV, art. 37. 
174 "One writer has even asserted that the constitutional power conferred on the president was 'rarely conferred on any head of state in the world.'" COPPER, *supra* note 11, at 95-6. 
175 ROC Const. ch. III., art. 27. 
176 *Id.* 
Confucianism that are not only compatible with democracy, but in fact foster it. According to the popular but erroneous “Lee Thesis,” Chinese politics are destined to remain the same because Chinese or Asian values are incompatible with democracy.\(^{178}\) Taiwan’s successful democratization puts to rest the essentialist form of this argument.

Often lost in the debate over the “Lee Thesis” is the fact that Confucian deference to authority is predicated on a benevolent authoritarianism. In classical Chinese thought “an emperor legitimately wielding the ‘Mandate of Heaven’ ruled for the benefit of the people; if he ceased to place their welfare paramount, popular revolt was justified.”\(^{179}\) Francis Fukuyama points out that “Chinese Confucianism, in particular, does not legitimize deference to the authority of an all-powerful state that leaves no scope for the development of an independent civil society.”\(^{180}\) Confucianism may not require democratic institutions, but once Sun Yat-sen made a written constitution the embodiment of his *Three Principles of the People*, the Confucian emphasis on propriety meant that the KMT party state had to uphold it.\(^{181}\)

Furthermore, Confucianism’s tolerance for religions, competitive state examination system for bureaucratic positions, and in particular, its focus on education, are all conducive for democratic rule.\(^{182}\) “Taiwan may be unique in the world in expecting its ministers to hold doctorates,” and many of these doctorates are obtained from U.S. universities.\(^{183}\) From Japan’s past efforts to make Taiwan its model colony, the KMT government had inherited a population that by 1942 was 58% literate (though in Japanese), and in which three-quarters of school-aged children were in school.\(^{184}\) The KMT built upon this advantage, making public expenditure on education second only to defense, representing 8.6% of government expenditures in 1950, 16.6% in 1987, and an astounding 19.1% in 1994.\(^{185}\) Although the KMT’s emphasis on education was in part to reprogram the local Taiwanese, and to discourage the Taiwanese dialect in favor of its official

\(^{178}\) Named after the president of Singapore Lee Kuan-Yew. Singaporean authorities had just sentenced Michael Fay, an American teenager caught spraying graffiti in Singapore in 1993, to a caning. Lee Kuan Yew famously responded to U.S. protests by drawing distinctions between Western and Eastern cultures, and arguing that U.S. values were incompatible with Asian societies. Francis Fukuyama, *Confucianism and Democracy*, in *GLOBAL DIVERGENCE OF DEMOCRACIES* 23 (Larry Diamond & Marc Plattner eds., 2001).

\(^{179}\) Tozzi, *supra* note 18, at 1194.

\(^{180}\) Fukuyama, *supra* note 178, at 31.


\(^{182}\) Fukuyama, *supra* note 178, at 28.

\(^{183}\) Laurence Whitehead, *The Democratization of Taiwan: A Comparative Perspective*, in *DEMOCRATIZATION IN TAIWAN* 168, 171 (Steve Tsang & Hung-mao Tien eds., 1999).

\(^{184}\) RIGGER, *supra* note 22, at 67.

language, Mandarin Chinese, the end result was the widespread literacy prerequisite to the development of a civil society and democracy.

2. The protection of the Taiwan Strait

Given their built-in security from invasion, islands like Taiwan have an advantage over most developing democracies. Great Britain, the first major democracy, benefited from this same effect. Although not an island, the U.S. did as well.

The Taiwan Strait separating Taiwan from China, combined with the protection of the U.S. and a mainland Chinese army exhausted by decades of war, has given Taiwan a relative security in the last half of the 20th century. This peace contributed not only to the development of Taiwanese civil society, but also to the maintenance of U.S. popular support for Taiwan. In contrast, war-torn Vietnam did not enjoy either of these benefits.

3. The KMT’s inhibited political center

Taiwan had from its inception something that most developing countries have lacked – a government, in the KMT, that felt the need to exert considerable self-restraint in the exercise of its power. Steve Tsang identifies such an “inhibited political center” as the most important long-term factor that makes democratization possible. The KMT’s “mandate of heaven” or basis for governmental legitimacy was continually on shaky ground, given the KMT’s embarrassing flight from mainland China, loss of its United Nations seat, and derecognition by the U.S. KMT leaders were “deeply cognizant of past failure,” and determined to learn from them and adapt.

186 RIGGER, supra note 22, at 72; See MOODY, JR., supra note 81, at 57.
187 “As stated by [Robert] Putnam, whether democracy works or not depends on the crossover of memberships in voluntary associations, or in other words, affluent social capital.” Dung-Sheng Chen, Taiwan’s Social Changes in the Patterns of Solidarity in the 20th Century, in TAIWAN IN THE TWENTIETH CENTURY: A RETROSPECTIVE VIEW 61, 62 (Richard Louis Edmonds & Steven M. Goldstein eds., 2001); “By 1984, the total number of nation-wide and provincial voluntary associations was about 5,200, becoming 6,100 by 1988 and about 12,000 by 1996.” Id. at 71.
188 See Clague, supra note 162, at 16-17.
190 Id.
191 Scalapino, supra note 21, at ix.
4. Immigrant minority rulers must appease the majority

Although the KMT first sought to suppress all dissent, as symbolized by the 2-28 Massacre in 1947, it was highly aware of its minority status and the need to reestablish its legitimacy with the native Taiwanese. When Chiang Kai-shek fled the mainland to take over Taiwan in 1949, the KMT represented only 0.8% of the Taiwanese population. The native Taiwanese majority would become a significant source of dissent.

The KMT instituted local elections in the 1950s not only to regain U.S. support, but also as the first of many systematic attempts to rein in dissent by recruiting native Taiwanese into the party. In the 1970s, Chiang Ching-kuo implemented his indigenization or "Taiwanization" policy. Lee Teng-hui, a beneficiary of this policy, later established national elections in the 1990s, once again to appease the native Taiwanese opposition. Parallel developments can be found in the British colonial experience, as Britain initially designed democratic institutions for its own exclusive use, but over time had no choice but to allow the native majority to participate in them and soon dominate.

5. Two leaders who skillfully carried out democratic reform to consolidate power

As Huntington points out, "[e]conomic development makes democracy possible; political leadership makes it real." In many countries, successful democratic reform has depended on the strength of a "democratizer." Taiwan has been blessed with two – President Chiang Ching-kuo (1978-1988) and President Lee Teng-hui (1988-2000). They both faced considerable opposition in their accessions to the presidency, and needed great political savvy to consolidate their power. They both accomplished this by pushing for democratic reform, thus outmaneuvering the dominant conservative faction of the KMT and garnering popular and international support. Even though they carried out reform for more self-interested purposes than befits the model of the benevolent dictator, the fact is they both brought Taiwan closer to a true democracy. As Robert Scalapino writes, "Not all societies have been so fortunate."

193 Huang, supra note 19, at 114.
194 Huang, supra note 19, at 113.
195 HUNTINGTON, supra note 8, at 316.
196 Id.
197 Scalapino, supra note 21, at xi.
When President Chiang Kai-shek died in 1975, there was a long battle over succession. His son, Chiang Ching-kuo finally emerged victorious three years later, having overcome the KMT conservatives and the predictions of many observers. Chiang Ching-kuo pushed for democratization, not for the people themselves, but rather for their support. As part of his “Taiwanization policy,” he surprisingly named Lee Teng-hui Vice-President in 1982, the first native Taiwanese to be named to an important KMT post. When the Tang-wai opposition illegally formed the DPP party in 1986, Chiang chose not to suppress it, defying the KMT conservatives. Chiang lifted martial law the very next year.

President Lee Teng-hui was equally instrumental in Taiwan’s transition to democracy, defeating the conservative “non-mainstream” coalition within the KMT, and effectively forcing it to split off to form the New Party in 1993. Lee essentially performed the function of a “political bulldozer,” removing all obstacles to the possibility of a peaceful and democratic transition of power at the end of his rule. To overcome the KMT conservatives, Lee directed his energies toward gaining popular support, and pushed through national elections for the Legislative Yuan, the Mayors of Taipei and Kaohsiung, the Provincial Governor of Taiwan, and finally the Presidency itself. Due to Lee’s ruthlessness and skill, he ultimately stripped almost all his political archrivals of all power, allowing him to push through his reform program almost unopposed.

6. Taiwan’s international role as alternative to Communist China

Taiwan provided an alternative to Communist China whose clarity was unmatched by any other Cold War prop, allowing the U.S. to garner strong domestic and international support for Taiwan. It has enjoyed over fifty years of peace, both resulting from and contributing to this U.S. support. Given its military and political dependence on the U.S., it was in Taiwan’s best interests to adopt democratic reform. Although the U.S. and the Western world started to turn its back on Taiwan when it began transferring diplomatic recognition from the KMT to the PRC in the 1970s, this shift also pushed Taiwan into an even more sympathetic light, particularly in the eyes of the anti-Communist U.S. Congress. Encouraged by such calls supporting Taiwan, all three of its presidents, Chiang Kai-shek and in particular Chiang Ching-kuo and Lee Teng-hui, implemented democratic reform, in large part to consolidate or regain U.S. support.

198 Chu, supra note 118, at 99.
199 See Kuo, supra note 44, at 93.
B. The U.S.' Intentional Contributions: Military and Economic Aid

The U.S. provided military and economic assistance that was instrumental to Taiwan’s economic and democratic development. Without such aid, Taiwan would have succumbed to mainland China long ago. It is unclear, however, what principles the U.S. should apply in deciding when to extend such aid to incipient democracies. What is clear is that the policies the U.S. applied in practice toward Taiwan in the 1950s and ‘60s were completely different from its present-day foreign policies demanding near-term economic liberalization and commitments to national elections as prerequisites to U.S. aid.

1. Military protection from China

The U.S. has offered Taiwan a level of security from foreign invasion that few countries have enjoyed, allowing Taiwanese civil society and democracy to develop over time. Unlike its economic aid, the U.S. protection of Taiwan has been constant. With the outbreak of the Korean War, the U.S. renewed its support of the KMT, making its security commitment official with the U.S.-ROC Mutual Defense Treaty in 1954. At this treaty’s expiration, the U.S. Congress passed the Taiwan Relations Act (TRA) of 1979, providing for the continued U.S. military protection of Taiwan against mainland China. When the PRC lofted missiles near Taiwan’s two largest ports to influence Taiwan’s landmark 1996 Presidential Election, the U.S. sent in two aircraft carriers to the Taiwan Strait to maintain peace.

2. U.S. economic aid sparks “the Taiwan miracle”

In direct contrast to recent U.S. policy which ties foreign economic aid to progress in democratization and economic liberalization, Taiwan was for a time the largest recipient of U.S. aid in the world, in spite of its authoritarian rule and protectionist economic policies. The U.S. investment in Taiwan, mostly in its agriculture and infrastructure, comprised of 31% of all U.S. foreign investment from 1951-1963.
totaling $1.5 billion by 1965. Under the direction of mostly Western-educated Taiwanese engineers and economists, Taiwan implemented land reform policies that resulted not only in a rapid increase in overall production, but also equalized the distribution of wealth. U.S. assistance laid the foundation for Taiwan’s economic miracle in the 1960s and ’70s.

Taiwan’s booming economy, in turn, greatly facilitated Taiwan’s rapid democratization in the 1980s and ’90s. By the 1980s, Taiwan had developed the high levels of urbanization, industrialization, literacy rates, mass communication, and rising per capita income that scholars generally agree are conducive for democratization. Taiwan’s economic development led to a growing middle class that fed the opposition’s push for reform. A business community formed and developed considerable sway over elections, with not only the resources to support the prohibitively expensive campaigns of the 1980s and ’90s, but also the influence over the votes of legions of employees. The support of the business community was crucial to both Lee Teng-hui’s accession to power in the late 1980s and Chen Shui-bian’s historic presidential victory in 2000.

C. The U.S.’ Inherent Contribution: Democracy’s Natural Appeal to Oppositions

From a long-term perspective, the greatest contribution the U.S. could make to worldwide democratization may well be to simply lead by example. This is not necessarily because democracy is the best form of government, but rather because it is inherently attractive to any opposition movement toiling under an authoritarian regime. Oppositions, such as Sun Yat-sen’s Revolutionary Alliance against the Qing Dynasty, the KMT against mainland China, and the Tang-wai movement against the KMT, have an automatic incentive to call for popular elections and a free press, at least until they rise to power. As John Fuh-sheng Hsieh points out,
“Democratization can be seen as a bargaining process between the government and the opposition.”

Perhaps the best way for the U.S. to take advantage of the inherent appeal of democracy is to encourage foreigners to study in the U.S. American universities have been filled with a disproportionate number of students from Taiwan for decades. It is not a coincidence that Taiwan’s successful democratization was led spiritually by Sun Yat-sen, who had lived for a time in the U.S., and pushed to completion by Lee Teng-hui, who had received a doctorate from Cornell University in 1968. To best achieve world-wide democratization, the U.S. government should keep the goal of encouraging foreign students to study in the U.S. in mind while fighting its War on Terror that has the inherent danger of driving foreign students away.

D. The U.S.’ Betrayal of Taiwan Unwittingly Spurred Democratic Reform

Calls for democracy often grow loudest in the midst of crises such as Taiwan’s dark decade of the 1970s, much as they would two decades later with the earthquake that devastated central Taiwan the year before its historic transition of power in the 2000 Presidential Election. In pursuing its self-interests in the 1970s, the U.S. caused major upheaval in its former prince, Taiwan. Despite the U.S.’ betrayal of Taiwan, a unique combination of factors surprisingly pushed Taiwan even closer toward democracy.

1. The U.S. transfer of recognition from the KMT to the PRC as the rightful leader of China

After over two decades of U.S. support, President Nixon’s historic visit to China in 1972 and the U.S.’ subsequent recognition of the PRC in 1979 effectively pulled out the rug from under Taiwan. The U.S. the actions of the U.S. were not based on any indiscretions on the part of Taiwan and certainly not on any indications of democratization in China, but rather on a unique opportunity to develop relations with a future world power.

Nonetheless, instead of causing a negative backlash, the U.S. betrayal only spurred the KMT to push for democratic reform. Taiwan still depended on U.S. protection from the ever-present threat of invasion from the mainland, and also faced diplomatic isolation and internal revolt. Only

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212 John Fuh-Sheng Hsieh, *East Asian Culture and Democratic Transition, With Special Reference to the Case of Taiwan, in TAIWAN IN PERSPECTIVE* 29, 35 (Wei-Chin Lee, ed., 2000).
by "seizing the moral high ground of democratic legitimacy" could Taiwan regain the domestic and international support necessary to fend off China.213 Chiang Kai-shek held the 1972 supplemental elections to the Legislative Yuan in part in response to Nixon's visit to China.214 The U.S. derecognition of Taiwan in 1979 created domestic turmoil that sparked the wave of political liberalization in Taiwan in the 1980s and '90s.

2. The U.S. forces the devaluation of Taiwan's currency

U.S. economic policy toward Taiwan has been anything but consistent. In the 1950s and '60s, the U.S. played a crucial advisory and financial role in helping Taiwan implement its land reform and industrialization policies. Taiwan's rapid economic expansion, however, was built in part on its extremely favorable trade balance with the U.S. since the 1970s.215 This eventually led to a protectionist reaction in the U.S.,216 culminating in 1984 when the U.S. replaced its policy of "free trade" with one of "fair trade."217 The U.S. forced Taiwan to remove barriers to trade, demanded the improvement of Taiwanese working conditions, and caused an upward revaluation of the Taiwanese dollar by more than 50% between 1986 and 1989.218

The argument can of course be made that such economic liberalization was in the best long-term interests of Taiwan and any developing democracy itself. The lesson learned from Taiwan’s economic miracle, however, was that such forced liberalization was only imposed on Taiwan only after it became an economic power, and not as a precondition to U.S. aid from the start.

Despite U.S. economic aggression, any retaliatory impulses of the KMT were constrained by the looming threat of international isolation and an increasingly powerful Communist China. In response to these dark times, the Tang-wai opposition took the risk of illegally forming the DPP party in 1986. President Chiang Ching-kuo then made the historic decision to withhold his authoritarian impulses and end martial law, in a desperate attempt to regain U.S. support and appease the masses.

213 Whitehead, supra note 183, at 178.
214 Copper, supra note 11, at 27.
215 Shiau, supra note 209, at 219.
216 Shiau, supra note 30, at 107.
217 Id.
218 Shiau, supra note 209, at 219.
E. The U.S.' Accidental Contribution: The Pygmalion Effect

Of Taiwan's many advantages over most nascent democracies, one often unnoticed is how the U.S. overlooked Taiwan's many undemocratic indiscretions during its promotion of Taiwan as "Free China" throughout the Cold War. It is interesting to speculate as to what degree the KMT and/or the Tang-wai opposition rose to the level of these democratic expectations, as per the Pygmalion effect. At the very least, the rose-colored glasses worn by the U.S. allowed Taiwanese democracy more room to develop internally and at its own pace.

The KMT government under Chiang Kai-shek and his successors was in reality anything but democratic. It imposed martial law and ran a protectionist economy for decades, and did not implement national elections until the 1990s. Nevertheless, American politicians and citizens maintained a fascination with and admiration of Chiang Kai-shek and his wife, continuing from when Time Magazine proclaimed them "Man and Wife of the Year" in 1937.\(^{219}\)

While certainly not a sufficient condition for democratization, the Pygmalion effect can play a significant role. The U.S.' idealization of Taiwan fostered the expectations of the Taiwanese opposition. The Tang-wai opposition and later the DPP could point to the disparities between the KMT's image and its practices, and mobilize around these injustices.

After the outbreak of the Korean War, the first major U.S. policy statements criticizing the KMT government were not made until the Kaohsiung Incident and the murder of Henry Liu in the late 1970s and '80s, giving the KMT a honeymoon period of nearly thirty years that would be unheard of today. During this time the U.S. continued to provide military and economic aid, despite the KMT's democratic setbacks, thus allowing the KMT to consolidate its rule and modernize the Taiwanese economy. Furthermore, by the time the U.S. finally started criticizing the KMT's authoritarian rule, the U.S. had first allowed a generation of Taiwanese citizens to grow up under the ideals, if not the reality, of democracy, and push for reform from the inside.

F. Taiwan's Policies Leading to its Successful Democratization are the Opposite of those Promoted by the U.S. Today

Arguably the most useful formulation defining the evasive task of promoting democratization is that "when countries reach a certain social and economic level, they enter a transition zone where the probability of their moving in a democratic direction increases markedly."\(^{220}\) The key

\(^{219}\) *International Man & Wife of the Year*, Time, January 3, 1938, at 12, 14.

\(^{220}\) Huntington, *supra* note 8, at 86.
question is whether there are some general principles the U.S. should apply to help bring developing nations into this transition zone. While no definitive conclusions can be drawn from one case study, the Taiwan example shows that at the very least, present-day U.S. policies call on incipient democracies to implement policies that depart radically from those that brought about Taiwan’s economic and democratic miracles.

1. Taiwan implemented only local elections first, which slowly developed into national elections later

Fortunately for Taiwan’s long term democratization prospects, Chiang Kai-shek ignored the U.S.’ tacit calls for immediate national elections, and instead limited them to the local level. As Samuel Huntington states, “Elections are the way a democracy operates....[t]hey [are] a vehicle of democratization as well as the goal of democratization.” National elections implemented under external pressures lack the stability of self-determination, and lend toward a backlash against democracy and its proponents when they fail. In contrast, national elections develop naturally and more stably when they are preceded by local elections. Nevertheless, if there is one constant in U.S. foreign policy today, including in Afghanistan and Iraq, it is the rhetoric that developing democracies must implement national elections in the near future to qualify for U.S. aid and support.

In the development of Taiwan’s electoral process, the presidency was not the first but rather the last office to be put to popular elections. The KMT leadership would later justify this delay by pointing to the rush of failed elections and democracies in Southeast Asia. When President Lee Teng-hui finally opened the door to national elections after forty years of KMT rule, Taiwan had already established a stable government and a well-developed economy to take advantage of them.

Although the outcome of local elections had no real effect on KMT policy for decades, they “provided opposition forces with institutional channels for organizing the people and promoting political socialization.” Local elections served as arenas for the development of electoral habits and ideals, with voter turnout averaging 60-70%, and sometimes reaching

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221 Id. at 174. Most studies pay attention to elections only “as a result of political change, not as one of its causes.” RIGGER, supra note 22, at 3.

222 “Many developing nations tried to democratize too quickly, especially by holding elections prematurely...” COPPER, supra note 11, at 10.

223 Id. at 26.

224 Tien, supra note 60, at 4; See RIGGER, supra note 22, at 22.

225 Tien, supra note 60, at 5.
Furthermore, winning elections provided legitimacy to individual opposition leaders, because "[s]uppressing isolated dissident intellectuals was one thing; suppressing elected officials whose popularity had been demonstrated at the polls . . . was another matter."227 Once local elections were well-established, national elections were the logical next step, as the Tang-wai and the DPP were all too eager to point out.

2. Taiwan’s miracles arose out of thirty years of economic protectionism

The Taiwan example presents a lesson on economic development contrary to the current U.S. foreign policy that universally pushes for near-term economic liberalization.

The KMT led Taiwan through rapid economic development in the second half of the 20th century, almost all under a protectionist economy. This is directly relevant to U.S. foreign policy goals of encouraging democratization abroad, as in the words of Samuel Huntington, "Few relationships between social, economic, and political phenomena are stronger than that between level of economic development and existence of democratic politics."228

According to Dani Rodrik, contrary to the inflated claims of the World Bank and the IMF, the relationship between growth rates and low tariffs is weak at best.229 Along these same lines, Joseph Stiglitz argues that if "markets are opened up for competition too rapidly, before strong financial institutions are established, then jobs will be destroyed faster than new jobs are created." Stiglitz cites as examples the failed IMF policies in most Latin American countries,230 and most strikingly, in Russia.231 In contrast, the countries of East Asia, including Taiwan, "embraced globalization under their own terms, at their own pace," and thus have been able to reap its benefits.232

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226 Huat, supra note 58, at 136.
227 RIGGER, supra note 22, at 26.
228 HUNTINGTON, supra note 8, at 311.
229 RODRIK, supra note 33, at 25. Rodrik argues that it is "domestic investment that ultimately makes an economy grow, not the global economy." Id. at 40. Rodrik discusses the "Taiwan miracle," explaining that Incentives for domestic investment were provided by the KMT, most importantly in the form of tax incentives, which established new industries, and ensured that "key inputs were available locally for private producers downstream." Id. at 53-54.
231 Id. at 185.
232 Id. at 20.
Taiwan’s protectionist economy encouraged “rapid economic growth, especially in the industrial sector.”

Within a generation, the KMT dramatically raised living standards and transformed Taiwan from a minor agricultural exporter into “an industrial and technological power and a major player in the international trading system.”

3. Taiwan’s miracles arose out of thirty years of authoritarian rule

There is a long-standing debate among scholars over the possibility of a positive relationship between authoritarian rule and economic development. On one side of the debate, scholars point to Taiwan as a paradigm of correct “sequencing,” arguing that authoritarian rule “generate[s] the stability and economic dynamism required to underpin a successful capitalist democracy.” Under the most common formulation of this theory, democratic reform is best carried out in stages, beginning with the denial of basic civil and political rights to control labor, curb consumption, and reward enterprise. Democratic reform can follow only after the business community has strengthened to the point that it can ensure a continuation of growth-friendly policies and incentives. Proponents of this theory point out that the “Taiwan miracle” took place entirely under authoritarian rule.

Amartya Sen represents the other side of the debate, arguing that “there is little evidence that authoritarian politics actually helps economic growth.” Sen believes that the sequentialists’ conclusions are erroneously based on a small sample size comprising largely of South Korea, Singapore, and post-reform China.

While this article does not set out to prove Sen false, it does submit that Taiwan should be added to this list. Furthermore, even if there is nothing to indicate that the policies conducive to economic growth are best

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233 Scalapino, supra note 21, x.
235 Whitehead, supra note 183, at 168.
236 Id. at 179.
237 Id.
238 SEN, supra note 9, at 15. The policies generally accepted as conducive to economic growth according to Sen are “openness to competition, the use of international markets, a high level of literacy and school education, successful land reforms and public provision of incentives for investment, exporting and industrialization.” Id. at 150. See also Steve Tsang & Hung-mao Tien, Preface and Acknowledgments, in DEMOCRATIZATION IN TAIWAN vi, (Steve Tsang & Hung-mao Tien eds., 1999).
239 Id. at 149. See also Tsang & Tien, supra note 238, at vi.
sustained by authoritarianism, Sen fails to acknowledge that in the right conditions, authoritarian rule may provide the job security prerequisite for rulers to push for major economic and democratic reform to begin with. At the very least, the possibility that a period of authoritarian rule is not inconsistent with and perhaps is even beneficial for future democratization is one that the U.S. should factor into its foreign policy considerations.

4. KMT presidents pushed for democratization out of self-interest, and only given their authoritarian powers

KMT presidents pushed for democratic reform out of their own self-interests, and only under the belief that, with their authoritarian powers, they could contain the effects of democratization. According to Bolivar Lamounier, whether or not an authoritarian party decides to push for political reform depends on its “calculation that it can control [its] pace and direction.”

Chiang Kai-shek implemented local elections, Chiang Ching-kuo lifted martial law, and Lee Teng-hui implemented national elections because they all needed to curry international favor and appease the masses. None of them would likely have dared to push through such extensive reform had they not had the KMT’s domination of the electoral process and infiltration of every facet of civil society in their back pockets.

Their mistake was the common one of short-sightedness, and this would take a generation to fully develop. Like most authoritarian systems, the KMT lacked strong feedback mechanisms regarding the support or submissiveness of the public, and mistakenly believed the people would continue supporting it after the implementation of local and national elections.

The KMT contained the electoral process for decades, but it rapidly spun out of its control in the 1980s and 90s.

U.S. foreign policy, especially during the Cold War, has focused almost exclusively on supporting self-proclaimed democratic insurgents, instead of encouraging democratic reform from within the ruling party. Even the purpose for the U.S.’ renewed support for the KMT starting in the 1950s was to prop what was in effect a rebel movement against Communist China; it just happened to be converted into support for a ruling party as the KMT ended up calling Taiwan its new home. Although opposition movements are more likely to adopt U.S. calls for democracy, they are also much less likely to rise to or maintain power. Furthermore, clearly underlying U.S. directives for authoritarian nations to implement fair elections is the implicit rationale that these tyrannical rulers would be voted out. Not surprisingly, those in power are not particularly inclined to implement such changes under these circumstances.

240 RIGGER, supra note 22, at 19.
241 See HUNTINGTON, supra note 8, at 182.
The Taiwan example demonstrates that at least in nations that have an "inhibited political center," it may be more fruitful for the U.S. to encourage democratic reform from within the ruling party and push for local, not national elections. An authoritarian ruler may be willing to put the implementation of local elections on the bargaining table under the right circumstances. Once local elections are in place, they themselves serve as an impetus for further democratization. As Bruce Dickson points out, "The evolution of the KMT... shows that elections can play an important role even when they occur in a nondemocratic polity." The very type of authoritarian rule that the U.S. automatically opposes may in fact be a prerequisite for a ruling party to decide that implementing democratic reform would be in its own best interests.

V. Conclusion

Dr. Sun Yat-sen's plan for implementing democracy in stages exhibited a patience sorely lacking in modern-day U.S. efforts to promote democratization abroad. Dr. Sun, father of Taiwanese democracy, did not call for immediate national elections or freedom of speech, primarily because he believed the people were not ready for them. He envisioned an initial period of political tutelage of at least six years, during which a temporary party dictatorship would lay the foundation for democratic reform by first modernizing the economy and educating the people. The KMT officially declared this period of tutelage over before 1949. By maintaining authoritarian rule and instituting only local elections, however, the KMT in effect continued this period into the 1980s, until domestic and international circumstances pushed it to implement democratic reform. The development of Taiwanese democracy took place in the exact progression, if not timeframe, laid out in Sun Yat-sen's plan, culminating in the first democratic transition of power in China's 5,000 year history.

Taiwan's policies during its successful democratization were virtually the opposite of those imposed by the U.S. on developing democracies during the Cold War and today. The U.S. continues to make near-term economic liberalization and implementation of national elections prerequisites to U.S. aid, despite lacking much evidence that these policies are actually conducive for reform. Furthermore, the U.S. focuses far too much on supporting self-proclaimed democratic insurgents, instead of

242 Steve Tsang's term describing a government that feels the need to exert considerable self-restraint in the exercise of its power. See supra Part IV.A.3.
243 Dickson, supra note 14, at 72.
244 Tozzi, supra note 18, at 1217.
245 See RIGGER, supra note 22, at 65.
246 Id.
encouraging democratic reform from within ruling parties. The U.S. held back its criticisms of KMT corruption for decades, but only to preserve Taiwan's pristine though false image as the "Free China" alternative to Communist China. In the end, the rose-colored glasses worn by the U.S. had unwittingly allowed Taiwanese democracy to develop from within.

The lesson from the Taiwan example is that the U.S. should identify and support ruling parties in developing nations that like Taiwan might be willing to implement local elections. The U.S. should then let democratization take its course, without the constant threat of U.S. criticism at every misstep. Local elections, even those not free of corruption, breed democracy. They both develop the voting habits in the populace, and serve as a source of independent power for local leaders. Instead of pushing for too much, too fast in incipient democracies, the U.S. should heed the lessons of de Tocqueville and of its own history: once electoral rights are extended, there is no natural stopping point short of universal suffrage.  

247 "There is no more invariable rule in the history of society: the further electoral rights are extended, the greater is the need of extending them; for after each concession the strength of the democracy increases, and its demands increase with its strength. The ambition of those who are below the appointed rate is irritated in exact proportion to the great number of those who are above it. The exception at last becomes the rule, concession follows concession, and no stop can be made short of universal suffrage." ALEXIS DE TOCQUEVILLE, DEMOCRACY IN AMERICA 64 (HENRY REEVE, ESQ. TRANS., vol. 1) (1835); See Larry Diamond & Marc Plattner, INTRODUCTION, in GLOBAL DIVERGENCE OF DEMOCRACIES xi, pg. 227 (Larry Diamond & Marc Plattner eds., 2001).