THE 2000 PRESIDENTIAL ELECTION IN TAIWAN: CHALLENGES AND OPPORTUNITIES

The victory of the opposition Democratic Progressive Party (DPP) candidate, Chen Shui-bian, in Taiwan’s presidential election on 18 March 2000 was an event of great significance for Chinese politics for two reasons. First of all, it marked the first peaceful transition of power between political parties in Chinese history. Although uncertainties as to how much power actually resides in the presidency under the Republic of China (ROC) Constitution mean that such a claim has to be qualified, for the island of Taiwan this certainly marked a new stage in the process of democratisation that began with the establishment of the opposition party in September 1986. Although full elections for central and local government chambers had been held since 1991, the DPP had never managed to gain a parliamentary majority. In the first presidential election, held in March 1996, it polled a mere 21 percent, failing to remove the incumbent KMT president, Dr. Lee Teng-hui. With the victory of the DPP in March 2000, therefore, it appeared that Taiwan’s democratisation had taken another step towards ‘consolidation’.

Secondly, the election marked a new stage in Taiwan’s relations with the PRC. Although there is a strong commitment to independence among DPP leaders and activists, during elections in the 1990s this cause failed to build a broadly based nationalist movement built on a solid sense of Taiwanese national identity. Findings of opinion polls indicated that the majority of people preferred to maintain a status quo of ‘no independence, no unification’ in relations with the PRC, and this was borne out at the ballot box. Although the election in March 2000 did not signal a sea-change in popular attitudes to independence, it put the island for the first time under the leadership of a member of a party with the long term ambition of achieving a \textit{de jure} independent Taiwan Republic.

The victory of Chen Shui-bian, then, will undoubtedly have profound term consequences for the shape of Taiwan’s democratisation and for relations with the PRC. To gain some insight into how these will play out in the longer term, it is important to carefully analyse the way in which Chen Shui-bian achieved victory, his intentions for government, the constraints within which he will have to work, and responses from the PRC.

The Fall of the KMT

The most important thing to note about the results of the 2000 presidential election is that Chen Shui-bian won with just over 39 percent of the vote and a lead of just over 300,000 votes over the independent candidate, James Soong. What made victory with such a small degree of support possible was a combination of a first-past-the-post electoral system with the collapse of the vote of the ruling KMT. The party that had ruled Taiwan since 1945 and had until then seemed able to maintain an iron grip on power even under democratisation suffered a catastrophe at the polls, leading to a breakdown of the vote as follows:

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Party</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chen Shui-bian</td>
<td>(DPP)</td>
<td>4,977,737</td>
<td>39.3%</td>
</tr>
<tr>
<td>James Soong</td>
<td>(Independent)</td>
<td>4,664,932</td>
<td>36.84%</td>
</tr>
<tr>
<td>Lien Chan</td>
<td>(KMT)</td>
<td>2,925,513</td>
<td>23.1%</td>
</tr>
<tr>
<td>Hsu Hsin-liang</td>
<td>(Independent)</td>
<td>79,429</td>
<td>0.63%</td>
</tr>
<tr>
<td>Li Ao</td>
<td>(New Party)</td>
<td>16,782</td>
<td>0.13%</td>
</tr>
</tbody>
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Total Votes: 12,486,671

Turnout: 82.69%
The adoption of a first-past-the-post system for a presidential election is quite unusual. Voting arrangements in other systems normally make provisions for indecisive outcomes by allowing either a second round of voting, or the counting of second preference votes. The anomaly of the Taiwan system, somewhat ironically, can be explained by the fact that it was decided during constitutional reforms steered by the KMT at a time when it had not expected to win over 50 percent of the vote, but could have been fairly confident in polling more than the DPP. In March 2000 this carefully worked out strategy backfired on the ruling party.

The main reason why the KMT became the victim of its own voting system, was that the party split. Behind the division was the issue of who would succeed the incumbent president and party chairman, Lee Teng-hui. Two candidates had emerged for this role from inside the KMT, the ‘native-Taiwanese’ vice-president and former premier Lien Chan and the ‘mainlander’ former party secretary and governor of Taiwan province, James Soong. The latter is by far the most charismatic of the two and, despite his origins in mainland China, had built himself a strong base of popular support during his time as provincial governor, a post to which he had been elected. When the Taiwan provincial government was dismantled and the governorship was abolished as part of the constitutional reform programme, however, Soong was left alienated from the party centre and without a position. His outspoken opposition to the abolition did little to endear him to the Lee Teng-hui leadership. The result was a bitter split between Soong and Lee Teng-hui, which left the far from charismatic Lien Chan as the only viable KMT candidate for the presidency.

This division at the top of the KMT was fatal. First of all, it split the party down to the grass roots, making it impossible for the leadership to exert control over the local party organisations upon which the centre relied to mobilise factional voting. To all effects, the KMT stopped functioning as a national party as its members had to make a choice between supporting Lien or Soong. The choice became more difficult as Soong began to campaign on a platform of clean politics, leaving Lien representing a continuation of the Lee regime which had fallen into disrepute due to rampant corruption.

The KMT tried to rescue the Lien campaign by directing most of its campaigning against Soong. A fatal blow was struck against Soong’s campaign when his old party accused him of having embezzled party funds on a massive scale during his term as secretary general. However, aside from undermining Soong’s overwhelming lead in the opinion polls, this also reinforced the message that the ruling party was rotten through and through and more concerned with intra-party factional struggles than with opposing the DPP. The last few days of campaigning thus saw the Lien and Soong camps spending most of their resources and energy on appealing to each other's supporters to either dump Lien and support Soong, or dump Soong and support Lien.

The split in the anti-DPP vote on polling day was thus ensured. The main casualty of the division was the KMT. This was a great shock to many, because the party had ruled the island since 1945 and appeared to have an unshakeable grip on power even under democratisation. Up until the last few days before the election, opinion polls had fuelled the widespread perception that the three main candidates were running roughly neck and neck, leaving about 25% of floating voters to decided the outcome. The final result shows that none of those floating voters moved towards supporting the KMT when it came to polling day. This represented a defeat of the worst degree for the KMT, yet not enough of a swing to enable Soong to claim victory over Chen.

Moderation in the DPP

Yet the DPP victory cannot be explained in terms of the collapse of the KMT alone. Even with the ruling party divided, the opposition still had to do a lot of work to overcome its political credibility gap with the voters. This process had actually begun after the disastrous defeat suffered by the party in the 1996 presidential election, when the DPP’s veteran secessionist candidate Peng Ming-min had polled a dismal 21 percent of the vote. Since then, the party had held a series of conferences to re-assess its ‘China’ policy, and produced a formula that proved to be far more
acceptable to voters than insistence on a referendum and declaration of independence. A conference on China policy in February 1998 brought together radical and moderate factions to produce a broadly acceptable slogan of ‘strong base – westward advance’ to characterise the new stance. This meant that the priority should be building a strong sense of loyalty to Taiwan, while simultaneously allowing investment and trade in mainland China. In 1999 China policy was moderated further when the party produced a document stating that it accepted that according to the present constitution the name of Taiwan was the Republic of China, and that there is no need to make a formal declaration of independence because it is already an independent state.

This moderation allowed key sectors of the population to move towards supporting the DPP. Among these were some 1.4 million young voters who had come of age since the 1996 presidential election, and whose impressions of China were forged by the PLA’s missile tests off Taiwan ports at that time, rather than by the nationalist indoctrination of the KMT. Perhaps more significant, though, was the role played by a number of leading figures from industry and academia, who openly campaigned for Chen Shui-bian, forming a political advisory group that would help him to select a cabinet if he won the election. By far the most important of these figures, in a society where Confucian values still have a role to play, was Dr Lee Yuan-tse, a Nobel Prize winning physicist and president of the prestigious Academia Sinica.

Lee Yuan-tse spoke for many of the leading figures who threw their weight behind the Chen campaign when he stated that a change of ruling party was the only way that corruption could be tackled in Taiwan politics. He also felt that the DPP had changed enough for it not to represent an unacceptable provocation to the PRC. Lee even envisioned figures such as himself playing a stabilising role in cross-Strait relations under a DPP administration. He has been a frequent visitor to the mainland and enjoyed good relations with CCP leaders. In an interview with the China Times (zhongguo shibao) he even stressed his sympathy with the nationalist feelings of the mainland Chinese, recalling his own childhood memories of celebrating the victory of the Allies over Japan in 1945. He even went so far as to claim that the DPP and the CCP should be able to work together because both have experience of combating KMT corruption!

This kind of support lent credibility to attempts to portray Chen Shui-bian himself as a Nixon-like figure who could break new ground in relations with the PRC because the people trusted that he loved Taiwan and would not sell out the island. Chen built on this moderate image by openly committing himself to what became known as the ‘Four Nos’ in his China policy, namely: no change of the national name, no change of the ROC constitution to include Lee Teng-hui’s ‘two-states theory’, no referendum on independence, and no declaration of independence unless Taiwan is attacked by China.

Such moderation did much to defuse the KMT campaign, which focused on delivering the message that a vote for the DPP was a vote for war with mainland China. Indeed, this type of negative campaign could be turned back on the KMT, when the DPP presented it as an attempt for the ruling party to stay in power by joining the PRC in threatening the population of Taiwan.

Portraying the KMT as being in cahoots with the PRC’s attempts to intimidate the voters in Taiwan became increasingly credible thanks largely to the propaganda war that was unleashed against Chen Shui-bian by Beijing. The first round of this was launched on 28 January and was obviously directed at Chen, without naming him. It reached a new intensity when the State Council issued a White Paper on 21 February that warned, for the first time, that continuing to postpone negotiations on unification could be taken as a reason to use force against Taiwan. This successfully focused the election campaigns on cross-strait relations and national security, calculated to be Chen’s weakest point, according to Xu Bodong, of the Taiwan Research Institute of the Beijing Union University (Beijing lianhe daxue) (CT 4 04 2000 p 2).

The PLA added to the psychological warfare by making bellicose statements about the inevitability of Taiwan independence leading to war. Finally, on 15 March PRC Premier Zhu Rongji gave a 90-minute news conference to mark the end of the meeting of the National People’s
Congress. Waving his fist, Zhu raised his voice in anger when asked about Taiwan, stating ‘No matter who comes into power in Taiwan, Taiwan will never be allowed to be independent.’ Referring unmistakably to Chen Shui-bian, he exclaimed that if ‘the people who favour independence’ win, ‘it may trigger a war between the two sides and undermine peace’. Zhu threatened, ‘We trust that our Taiwan compatriots will make a sensible choice’, adding that if they did not, they might not ‘get another opportunity’. If leaders in Beijing had thought such threats would alienate voters in Taiwan from Chen Shui-bian, they badly miscalculated. Instead, a wave of defiance developed just in time for voting day.

The ethos surrounding the competing parties seemed to be crystallised when they held massive campaign rallies on the evening before polling. The KMT had, naturally, bagged the most prestigious site for its rally, the Chiang Kai-shek Memorial Plaza. Yet if any doubt had been left in the minds of voters about the calibre of Lien Chan, it must have been dispelled by his appearance at this event, where he looked more like a lost schoolboy than a would-be president. Moreover, the whole procedure came over as distinctively Taiwan politics old-style, a political rally composed of people rather mechanically going through the motions of flag waving and cheering.

In contrast, the James Soong rally was vibrant, fuelled by the enthusiasm of highly-motivated grass-roots supporters. Yet even this seemed to pale when compared with Chen Shui-bian's rally, which was a well orchestrated sequence of speeches enhanced by music and special effects. The massive crowd was genuinely excited and the speeches rang with conviction, referring to the iconic figures and events of the Taiwanese struggle against foreign rulers. Previous party leaders/elders appeared on stage, many of them having spent years in the KMT's gaols. Yet even despite the strong flavour of Taiwanese nationalism that this produced, Chen Shui-bian’s own speech was carefully calibrated not to alienate non-Minnanese speaking Taiwanese or voters afraid of the DPP's independence policy. He stressed that he would be a president of the whole people, would not take part in DPP activities after his inauguration, and would work for stability in relations with the PRC. The overall impression created was of a youthful and vibrant party with its roots solidly in Taiwan’s modern history, and with a genuine commitment to the future of the island.

Chen’s rally thus appears to have convinced enough undecided voters that he was the candidate to mark a new beginning in Taiwan politics. His promise was one of consolidating democracy by changing government, while not antagonising the mainland by going down the road of independence in the process. The ability to maintain such a balancing act will be the true test of his administration.

The Future of Party Politics

The political dispensation in Taiwan following the presidential election provides both challenges and opportunities for Chen Shui-bian in achieving a balance of policies that will be popular enough to make his victory more than flash in the pan for the DPP. Perhaps his greatest source of strength arises from the disarray of the opposition and a general uncertainty over the future dynamics of party politics. Most significant is the challenge for the KMT to reinstate discipline and find an ideology that can appeal to voters in Taiwan. His first responses to defeat should not be a cause of great concern to the DPP.

Rather than embarking on a planned reorganisation, hasty measures were forced on the KMT leadership by grass-roots supporters enraged at what they believed to be Lee Teng-hui’s division of the party by campaigning against James Soong, which ensured Chen Shui-bian’s minority victory. Immediately the election result was known, demonstrators made their way to the KMT headquarters to express their outrage, sometimes with outbursts of violence. After some prevarication it was agreed that Lee should stand down as chairman. Instead of this signalling the beginning of real reform, though, the leadership then diverted most of its energy into blaming the supporters of James Soong for the crisis and initiating a large-scale purge of members suspected of supporting him.

Instead of looking for fresh blood to take the top post in the party, Lien Chan was made chairman by the Central Committee. The only alternative, Ma Ying-jeou, the charismatic and
youthful mayor of Taipei, was ruled out because he had played a prominent role in persuading Lee to stand down as chairman. Thus, unable to break from the influence and legacy of its former chairman, the KMT has shown no immediate signs of being able to rethink its role and mission in Taiwan politics, despite the fact that it retains control over massive financial resources and a majority in the Legislative Yuan.

What used to be Taiwan’s most disciplined and richest party thus faces the serious risk of losing members and legislators to James Soong, who was quick to establish his own ‘People First Party’ on 31 March. Some indication of Soong’s future strategy was given when he declared that one of the main causes of his new party would be to oppose the DPP declaring an independent Taiwan. Such a position can be carefully crafted so as to appeal not only to the dwindling number of voters still committed to unification with China, but more importantly to the majority who support maintaining the status quo of ‘no unification and no independence’ with China. Such a formula worked well for the KMT throughout the 1990s as a way to take the wind out of the DPP’s pro-independence sails. Coupled with calls for clean and efficient government, which used to be the vote-winning platform for the DPP, the People First Party could have a potent political message as the party for good governance and political stability.

The People First Party has already shown that such a platform can gain the support of the old guard KMT, from the small New Party that split off from the KMT in the early 1990s, from urban intellectuals, and from ethnic groups such as the Hakkas and aboriginal groups. That there is the possibility for a broad grass-roots following is also indicated by the fact that Soong won majorities in all the northern counties and cities of Taiwan, barring the DPP stronghold of Ilan. While the new party lacks financial resources, however, it is uncertain whether such grass roots support will grow or dissipate as the excitement of the presidential election fades. Moreover, if Soong’s new party is to look largely to disaffected KMT members for support, then it could be taking on many of the problems of corruption and factionalism that the KMT itself has been trying to shake off.

If Soong is successful in building his party, though, Taiwan could be heading towards a true three-party system that would alter the fundamental dynamics of future elections. In the immediate aftermath of the 2000 election, though, Chen Shui-bian faces the task of consolidating support in a situation where the bases of support for political parties have become very fluid. Rather than his victory signalling a sea-change in support for the DPP, his majorities were confined to the southern counties of Taiwan, bar the northern DPP stronghold of Ilan. Overall he managed to achieve an increase of around 10 percent on the usual DPP vote. If he wants to maintain this in the Legislative Yuan elections scheduled for December 2001, and for his own re-election in 2004, he will have to avoid extreme policies.

Avoiding extremes, however, will be made difficult by the nature of the DPP itself. That many of its members who have spent years in opposition waiting to realise their ideals of an independent Taiwan Republic will not sit idly by as policy is watered down. This quickly became apparent when, just three weeks after the election, vice-president elect Annette Lu publicly vented over her anger about not being consulted on the staffing of the new cabinet. She was quickly slapped down by chairman Lin I-hsiung, who pointed out that according to the constitution she actually has no powers. This, however, did not stop her making a number of public statements to the effect that she does not consider Taiwan to be a part of China.

Potential problems for Chen also began to appear at the grass roots when founding members of radical pro-independence Nation Building Party attempted to disband their organisation on 7 April, arguing that its mission had been completed with the election of Chen. When stalwarts refused to disband, 23 senior members resigned, announcing that they would continue their political activities through pressure groups. At the same time, the father of the independence movement Peng Ming-min and members of the New Nation Alliance (Xin Guojia Lianxian) began to make known their intentions to return to the DPP fold. These developments are important because such former DPP figures left the party largely due to the frustration they felt during the move towards a more moderate China policy that took place under chairmen Shi Ming-teh and Hsu Hsin-liang. If
the more radical factions of the DPP put pressure on Chen to take a more pro-independence stance in relations with the PRC, he will face a difficult balancing act indeed.\(^2\)

**CONSTITUTIONAL CONSTRAINTS**

Chen’s weakness is also caused by the distribution of power in the ROC Constitution. This document was originally designed to prevent the emergence of strong-man government by the putting in place parliamentary institutions of a cabinet (Executive Yuan), legislature (Legislative Yuan), and upper house (National Assembly). It has, however, been manipulated over the decades by leaders trying to concentrate more power in the hands of the president. When Chiang Kai-shek was in power in Taiwan he merely suspended the Constitution by declaring martial law. Under Lee Teng-hui, Constitutional balances were eroded by appending ‘Additional Articles’ to the Constitution, which swung power very much into the hands of the president at the expense of the other institutions. With Chen Shui-bian having come into power on such a small minority vote, however, there is a serious lack of clarity over just where supreme power lies. This problem is magnified by the fact that the KMT has a majority of members in the National Assembly and the Legislative Yuan.

Luckily for Chen, the National Assembly was not too much of a problem to deal with. This was because the upper house had undermined its own authority the previous year when it enraged the public by revising the constitution to extend its own term for another two years. With nobody able to defend the unpopular upper house, a cross-party consensus was built between DPP and KMT assembly members to strip the body of most of its powers from 19 May. It would convene for just one month at a time and only when called upon to do so by the Legislative Yuan in cases such as impeachment of the president or vice president or constitutional revision. Rather than members being appointed by election, they would be selected in proportion to the political parties in the Legislative Yuan. Opposition from inside the KMT was thus minimised because ideological implications regarding continuity with the ‘Chinese’ constitution were circumvented and members of the DPP could accept the arrangement as a temporary measure.\(^3\)

Dealing with the Executive Yuan and Legislative Yuan poses a much more difficult challenge for Chen. This is because the KMT has an overall majority of 10 seats in the legislature.\(^4\) This creates problems because the ROC Constitution works as a presidential system when the Legislative Yuan and Presidency are controlled by the same party, but a cabinet system when they are controlled by different parties. The reason for this can be found in Additional Article 3, put in place by Lee Teng-hui. This allows the President to appoint his Premier without the consent of the legislature, but also permits the legislature to remove the premier if more than half its members support such a motion.

Facing this situation, Chen had to appoint a premier with the potential to gain cross-party support. He found such a figure when, on 29 March, he appointed outgoing defence minister Tang Fei. Born in 1932 in Jiangsu province, mainland China, Tang rose to prominence in Taiwan through a career in the air force, becoming defence minister in 1999. This KMT general was the ideal candidate because he was liked in Washington, where he had taken part in negotiations over arms purchases and the possibility of acquiring TMD for Taiwan. Equally important was that the appointment of a mainlander to this key position could be as a signal of conciliation to Beijing. Perhaps most important of all though, was that Tang had won credibility within the DPP for having steered a national security law through the legislature that requires the military to withdraw from all political activity. This is of great significance for the DPP, because the KMT made the armed forces the bastion of Chinese nationalism following the retreat to Taiwan. He also gained much credit for having denied claims made by Lee Teng-hui and other KMT leaders that if Lien Chan did not win

\(^2\) (CT 8 4 2000 p1,2).
\(^3\) CT 30 03 2000.
\(^4\) The composition of the Legislative Yuan is: KMT 117; DPP 71; New Party 10; Soong Alliance 15; Non Partisan Alliance 7; Others 4.
Taiwan would be condemned to social unrest and invasion.

Both Tang Fei and Chen Shui-bian were careful to avoid dividing their own parties by presenting Tang’s premiership as a move towards coalition government, however. The problem was circumvented by an agreement between the two that Tang would withdraw from all KMT activities on becoming premier. He also only accepted the post on condition that the KMT Central Committee agreed, and insisted he would only hold the premiership until the holding of Leg Yuan elections in December 2001. The Central Committee agreed on March 31, after some debate, and the insistence of Chen Shui-bian that this a ‘government of all the people’ (quan min zhengfu), rather than a party-party coalition), seeing as both Chen and Tang would withdraw from party activities. A refusal by the KMT would only have worsened its situation by presenting its leadership as party interests before the interests of the people.

Chen’s strategy of creating a ‘government of all the people’ was also evident in appointments to the two most sensitive posts regarding foreign policy and cross-Strait relations, both of which were filled by non-party affiliated academics. Prof. Hung-mao Tien, formerly director of the National Policy Research Institute and an internationally renowned expert on Taiwan’s constitution, was made foreign minister. The directorship of the Mainland Affairs Council, which guides policy towards the PRC, went to Dr Tsai Ing-wen of who specialises in international trade law at National Chengchi University and holds a doctorate from the London School of Economics. Although both Tien and Tsai are not affiliated to political parties, both have been close to the policy-making process as advisors to Lee Teng-hui. Tsai has a relatively moderate approach to cross-Strait relations, based on the assumption that increasing trade between the two sides will lead to a reduction in tension and pave the way for political solutions, providing that Taiwan’s national security is not compromised. Her perceived role in helping Lee Teng-hui to formulate the ‘two states’ formula, however, does not endear her to Beijing.

Such appointments were typical of the Chen cabinet. By the time most of the positions had been filled in mid-April, the majority of ministers were non-party individuals drawn largely from academia, and there were even more KMT members than DPP. The appointments thus avoided the ringing of alarm bells in Washington and Beijing that would have been caused by the appointment of radical advocates of secession from DPP ranks. Friction with the personnel of the ancien regime was minimised and the KMT could hardly mobilise opposition in the legislature to a government led by one of its own members. Perhaps most important of all, these were impressive signs of moderation in the eyes of the majority of the electorate who had voted against Chen in the presidential election out of fear over DPP radicalism. Although Chen denied that he was forming a coalition government however, his strategy of co-opting the KMT was starting to look like a departure from his campaign appeal for a ‘change of party’ (lunti zhengdan).

THE FOURTH PARTY?

Rather than say that the future of politics in Taiwan will be shaped by three main parties, it might actually be more accurate to add a fourth, the Chinese Communist Party. Although, of course, the CCP does not exist in Taiwan, its policies and historical fate are intimately tied up with that of the DPP. The way in which Taiwanese identity will change during four years of a DPP presidency, and the implications of this for international perceptions of Taiwan, will have important repercussions for the party leadership in Beijing. This is because the coming to power of Chen Shui-bian in Taiwan represents not only a major failure for the PRC’s policy of national unification, but also a challenge to the nationalist credentials upon which the CCP bases its legitimacy to rule as a one-party dictatorship.

Beijing’s initial reaction to Chen Shui-bian’s victory was to declare a stance of ‘Listen to his words, watch his actions'. This meant that Chen’s every word and action was to be scrutinised to see if he moves Taiwan further towards de jure independence. The most recent criteria that have been provided for this are the four conditions laid down in the State Council’s 2000 white paper The
**One-China Principle and the Taiwan Issue** (State Council of the PRC, 2000), and are as follows:

the separation of Taiwan from China in any name, if Taiwan is invaded and occupied by foreign countries, if the Taiwan authorities refuse, *sine die*, the peaceful settlement of cross-Strait reunification through negotiations (State Council, p. 17)

Regarding the issue of foreign intervention, Beijing has grounds for a degree of optimism due to the drift towards supporting Beijing’s China policy that took place in Washington under the Clinton administration after the United States was nearly dragged into armed conflict with the PRC during the run-up to the island’s 1996 presidential election. Since that time, the message that the United States is not bound to come to Taiwan’s rescue if it provokes Beijing by declaring independence has been delivered to Chen Shui-bian and other political leaders in the island by a stream of recently retired or about-to-be-appointed high State Department and Defence Department officials shuttling between Washington, Taipei and Beijing. The tone of the meetings these figures held with leading politicians in Taipei was one of firm pressure for a restarting of cross-strait dialogue, an optimistic assessment of Beijing's sincerity, and the importance of maintaining the one-China principle. With the PRC also having gained brownie points in Washington for the stabilising role it played during the Asian financial crisis and in promoting stability on the Korean peninsula, the need for Washington to build good relations with Beijing has been at a high price for Taiwan. This was indicated most clearly when President Clinton stated his policy of ‘three nos’ for Taiwan during his visit to the PRC in June 1998, namely, ‘No one China, one Taiwan; no Taiwan independence; no Taiwan membership in international organizations requiring statehood.’

Although CCP leaders can take some comfort from the American stance, a more difficult problem is posed by the possible development of a strong form of Taiwanese nationalism inside Taiwan. If this were to be strong enough to positively support a referendum on independence, it would be difficult for the United States to maintain its ‘three nos’ policy. Short of this, a strengthening Taiwanese nationalism would certainly pressurise the Taipei government to promote a more ambitious foreign policy, as was shown when the KMT was forced by public pressure to launch the campaign for the ROC to rejoin the United Nations in the early 1990s.

To avoid such an outcome the CCP has intensified the ‘united front’ strategy that it has applied to Taiwan since Washington normalised relations with Beijing and de-recognised Taipei on 1 January 1979. According to the contents of an allegedly leaked speech to a meeting in Shanghai on 29 March given by Wang Daohan, director of the mainland’s Association for Relations Across the Taiwan Straits, a new effort is to be made to categorise key figures in Taiwan politics so that the propaganda war can be intensively focused on the most vociferous advocates of independence. Although the authenticity of this document is far from clear, it is significant that on 7 April Xinhua issued a strong attack on Annette Lu, who was one of the figures singled out by Wang Daohan.

Wang was also reported to have recommended that sanctions should be taken against business people from Taiwan in the mainland who supported Taiwan independence when they were at home. Again, authenticity is lent to this by the fact that, on 8 April, the Taiwan Affairs Office of the State Council of the PRC announced that in future the mainland would not welcome Taiwanese doing business in the mainland who supported independence when they were at home. Reports began to appear in the mainland media singling out Stan Shih, president of Acer Computers, as an example. This was the first time that the PRC had made such a threat against Taiwanese business people, and signalled a new willingness to use to the full the leverage that two decades of economic integration has put into the hands of the CCP. Its effectiveness was indicated when Shih attended a computer exhibition in Beijing on 27 April where he stated that he did not support Taiwan independence.

That the CCP has a lot of mileage in such tactics is due to the fact that two decades of united front policy has made the Chinese mainland the primary target for Taiwanese overseas investment. With Taiwanese firms eager to take part in opportunities in the mainland such as the development

6 The document was made public on the internet news service Ming Ri Bao. See CT 7 4 2000 p 2 for full text.
7 (Yahoo! 28-4-00)
of the western provinces and the opening of the telecommunications market, the pressure from inside Taiwan for some kind of direct links with the mainland is intense. Indeed, one of the reasons Chen was elected was that he seemed to promise a change from Lee Teng-hui’s ‘no haste-be patient’ policy, that put a ceiling on the size and type of investments after the 1996 election. Many of the prominent business people who supported his campaign will expect to see him deliver. Their way of thinking was indicated when Chen Shui-bian announced to a meeting of business leaders that he envisaged Taiwan as a ‘silicon island’, only to be met with complaints that such visions would be impossible without opening up the Three Communications with the mainland.

Negotiating ‘One China’

The most dramatic policy development signalled by Beijing’s White Paper was the addition of a new condition that could lead to the use of force against Taiwan, namely the indefinite postponement of negotiations between the two sides. With pressure on Chen to work towards opening up the Three Communications growing inside Taiwan, Beijing has been able to take an uncompromising stance on the issue of Taiwan’s identity by insisting that it will only talk to representatives of the new administration if Chen publicly states his acceptance of the ‘one China principle’ which holds that Taiwan is a part of China.

This demand would see to present an insurmountable barrier to negotiations for a member of a party that is committed to Taiwan independence. However, aware that the CCP cannot drop its demands either, Chen’s initial strategy has not been to reject the ‘one-China principle’. Instead, he has interpreted it as a topic on which both sides could start negotiation, rather than a precondition for negotiations to begin, as he made clear on 20 March in a conversation with the president of EVA Air, Chang Yung-fa.

This diplomatic move is perhaps a reflection of the fact that the DPP has in fact built up some experience of negotiating with the CCP already. Contacts between the opposition in Taiwan and the CCP began even before the DPP was formally established, when pro-opposition Taiwanese business people made contacts with the various united front agencies established by the CCP. Such links have at times been somewhat farcical, as when Annette Lu made an embarrassing point by leading a group of pro-independence activists to the mainland early in 1992, only to be turned away at Beijing airport because they did not have visas. They have also been highly sensitive, sometimes even leading to the dismissal of United Front Department personnel. Such was the case when, in March 1993, Zhang Yihong, the deputy convenor of the DPP Legislative Yuan caucus, announced that the CCP was ready to have party-to-party talks with the DPP after he secretly met with united front personnel.

Although developing channels of communication has been difficult for both sides, at least Zhang and leading figures of the less independence minded DPP factions such as Hsu Hsin-liang and Chen Zhongxin began to make overtures to the mainland and started the work of developing a properly thought-out China policy for the DPP. More recently even leaders of somewhat more pro-independence minded factions such as Chiu Yi-ran and Hong Inching have also gone to the mainland. Perhaps most important is that even Chen Shui-bian himself, during his time as a legislator, went to the mainland and spoke to think tanks there. One of his close advisors, Lou Wenches, also visited the mainland and met Wang Daohan and other ARATS personnel.

Some of these visits have been strategically well timed, such as the visit of a delegation of 16 DPP county and city committee members and the visit of the head of the head of the DPP China policy unit Yen Wan-chin, in February 1998, just a few days after the DPP had held a conference to thrash out its China policy. (zili wanbao 14-2-98 p 16-2-98 p2). And the flow has also been in the opposite direction with numerous mainland researchers and academics from Beijing and Shanghai visiting Taiwan before the presidential election. Some of these figures have had close links with the Shanghai faction in the CCP leadership and made contact with the DPP. After the election these visits continued, with the most significant being a visit by the deputy director of the Taiwan Research Institute of CASS, Yu Keli, who visited Taipei in late April and visited the DPP under the
status of a private individual.

These contacts should help the DPP to understand Beijing’s position and develop a more effective negotiating stance. The shape of this began to become clear when, on 22 March, Chen Chao-nan of the New Century Parliament Office faction of the DPP put forward a motion at the DPP Central Executive Committee to water down the commitment to independence in the party charter. What he wanted was to change the sentence ‘establish a sovereign independent Taiwan Republic’ to read ‘consolidate the independent self-determination of national sovereignty’.\(^8\) He also suggested changing the sentence ‘According to the original principle of civic rights, the establishment of a sovereign independent Taiwan Republic and advocating of the determination of a new constitution, should be decided by the means of a referendum of all the residents.’\(^9\) This would become ‘Any change in the status quo of national sovereignty, should be decided by referendum of all the residents of Taiwan’\(^10\).

Such a suggestion could actually be presented as a new step in the movement away from the DPP’s independence platform that had been taking place since early 1999, and which had contributed to the electability of Chen Shui-bian. In April of that year Chen himself publicly stated that the DPP charter was not in fact a ‘Taiwan independence charter’, but was merely intended to stress the position that any declaration of independence would have to be approved by referendum. The following month this position was more formally stated when the second plenum of the eighth central committee of the DPP passed a resolution on ‘The Future of Taiwan’, which stated for the first time in a party document an acceptance of the name ‘Republic of China’ for Taiwan. On the day before voting, the leader of the key Justice Alliance faction, Sheen Fu-suing, helped to steady public support for Chen following the issuing of Beijing’s White Paper by airing his view that the party charter could be revised.

Chen Chao-nan claimed to have support from most of the party factions. However many leading members of the DPP expressed differences of opinion on the value of changing the charter. Some members of the committee felt that it would be a good gesture to make to Beijing and give Chen Shui-bian more room to manoeuvre. However, others felt it would lead to divisions in the DPP. Lin Cho-shui of the New Tide faction was against changing the charter because it would only weaken Chen Shui-bian’s hand in any negotiations with Beijing. Standing Central Committee member Zhang Yihong for example was of the opinion that the charter should be changed only if Beijing made a gesture first, such as giving up the threat to use force. New Tide leader and Standing Central Committee member Wu Nai-jen was of the opinion that the Taiwan republic part of the charter had become a defensive measure and need not be changed at present. Another New Tide member and Standing Central Committee member, Liu Shih-fang, was of the opinion that no changes should be made until the attitudes of Beijing and Washington after the election became more clear. (CT 22 03 2000 p 3) There were also fears that if a proposal to change the charter was defeated by the national congress, this would only stoke fears in the mind of the public and Beijing that the DPP was still bent on declaring independence.

Although Chen Shui-bian attended the central executive committee meeting, he did not express an opinion. This is particularly interesting if this is seen as one of the first tests of his ability to balance pressures from the mainland and from within factions in his own party. It has been suggested that what the whole exercise was about was in fact to fly a kite to see Beijing’s reaction. It could be argued then that Chen actually achieved quite a lot by not expressing his own opinion but allowing Beijing in effect to make the decision. This is because a major concession such as changing the DPP charter could only be made if Beijing looked like giving some kind of positive sign to the incoming government.

Beijing’s apparently uncompromising line began to waver when, in early April, the Taiwan

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\(^8\) ‘Queli guojia zhuquan zhi duli zizhu.’  
\(^9\) ‘Jiyu guomin zhuquan yuanli, jianli zhuquan duli zizhu zhi Taiwan gongheguo ji zhiding xin xianfa de zhuzhang, ying jiao you quanti zhumin yi gongmin toupiao fangshi xuanze jueding.’  
\(^10\) ‘Renhe gaibian guojia zhuquan xianzhuang zhi zhuzhang, ying jiao you Taiwan quanti zhumin yi gongmin toupiao fangshi xuanze jueding.’
media claimed that an authoritative figure concerned with Taiwan policy in Beijing had stated that the two sides should return to the consensus reached in 1992 that talks could proceed if both sides accepted that there is one China, with the rider that each has its own interpretation of what ‘one China’ means. Head of the DPP foreign affairs office, Hsiao Bi-khim, said that the DPP saw this as a positive response at last from Beijing to Chen’s numerous overtures to Beijing. She stated that the DPP did not necessarily reject the idea of one China, but did insist that its implications have to be discussed. She claimed that there are people in the mainland who accept that one China can be interpreted with more flexibility. (CT 4 4 2000 p2)

Chen Shui-bian persisted throughout April in probing Beijing for signs of flexibility on the one China principle. One of his boldest initiatives was made when on 21 April, when he declared that it might be possible to discuss the idea of a cross-strait confederation. (Zhongshi wanbao, 21 4 00 p1,2). This was not a new idea. In fact the DPP had criticised Lien Chan when he proposed it during the presidential campaign. Now Chen was raising it himself, though. He even traced its origins to former premier Sun Yun-suan, the veteran KMT adviser to Lee Teng-hui who would have been Chiang Ching-kuo’s successor had he not been severely handicapped by a stroke.

What Beijing was waiting, for, however, was Chen’s inauguration speech. On 27 March the importance of Chen returning towards the one-China principle on this occasion was made clear when Chen Yunlin, head of the Taiwan Office of the State Council, and deputy director Tang Shubei met the New Party’s vice-presidential candidate Feng Hu-hsiang in Beijing. This, they pointed out, would be the precondition to be met before any contacts could be made with representatives from the new administration. (CT 28 03 2000 p 13)

When Chen did make his inauguration speech, it contained as many concessions to Beijing as are possible without antagonising his own party. He repeated the Four Nos, and added a fifth, that he would not repeal the KMT’s mainland policy, The Guidelines for National Unification, or the National Unification Council that was set up by Lee Teng-hui to advise on unification policy. He also waxed eloquently about the shared Chinese ethnicity of the people on the two sides of the Strait, and expressed his desire for cooperation. On the crucial issue of the one-China principle, though, Chen could only say that he hoped the two sides could come together under the right conditions to commonly deal with the issue.

Chen’s speech was initially condemned by mainland sources as being too ambiguous on the one-China principle. However, despite the negative rhetoric, some signs of flexibility have begun to emerge that could point the way to a more positive relationship. The most important of these was contained in the official reaction from the Xinhua news agency, which for the first time stated in public an appeal for Taiwan to begin negotiations by returning to the 1992. This was a significant message from Beijing. The response from Taipei, however, was to try to reinterpret the 1992 consensus in a way more favourable to itself. This amounts to stating that the consensus does not include acceptance by both sides that there is only one China, but merely that talks can go ahead on the basis that each side has its own interpretation.

CONCLUSION

It has been argued above that the victory of Chen Shui-bian marks a significant advance along Taiwan’s road to democracy. However, the nature of Taiwan’s electoral and party systems and the nature of the ROC Constitution means that there is still some way to go before the island’s democracy can be said to be truly consolidated. Despite this, one of the most interesting features of Taiwan’s democratisation is the way in which it constrains Taipei’s cross-Strait policy by encouraging policy-makers to maintain a status quo of ‘no unification and no independence’ that has become entrenched throughout the 1990s. The March 2000 presidential election has not upset this tendency. On the one hand, the Chen Shui-bian presidency has emerged from the election so weak that it would be difficult to take risks in encouraging the development of Taiwanese nationalism or provoking the mainland by taking bold steps towards de jure independence on the international stage. On the other hand, with public support for unification with PRC increasingly
weak, democratisation will also make it hard for any administration stay in power while moving too far towards unification.

From this perspective, although democracy makes the CCP’s goal of unifying Taiwan with mainland China more difficult, it will also require policy-makers in Taipei to exercise their imagination to find a way to peacefully co-exist with the PRC. The DPP has acknowledged this by moving a long way from radical secessionism and towards a willingness to consider whether the concept of ‘China’ can be interpreted in such a way as to satisfy all sides. Rather than being anti-Chinese, many leading figures in the party are willing accept that they share common ethnicity with the people in the mainland, and that the relationship between the two sides of the Strait should be a one with special characteristics.

While anti-China rhetoric used to be useful for undermining the authoritarian regime in Taiwan, it became an electoral liability when the KMT itself moved towards democratic legitimacy. These days, the DPP’s insistence on Taiwan independence has become a defensive posture against being taken over by the PRC. So as to maintain international support and not provoke the PRC, the party has had to learn to live with the position developed by the KMT under Lee Teng-hui that the ROC on Taiwan is already a sovereign state and need not make a declaration of independence to prove the point. Some leading figures in the party even accept that if mainland China becomes prosperous and democratic, there may come a time when popular will in Taiwan will lead the island towards unification.\footnote{Interviews with New Tide faction leaders, Taipei, 29 March 2000.}

It is important, therefore, that the CCP realises that democratisation in Taiwan is not necessarily bad news for its own ambitions of unification. Rather than leading the island towards de jure independence, it could actually open up opportunities for developing new formulas that will enable peaceful co-existence between the two sides. This will only be realised in Beijing, however, when mainland leaders come to understand the democracy is not just an ideal advocated by Western powers, but is the most viable way to achieve good governance by addressing the fundamental problems that give rise to chronic corruption and social and ethnic cleavage in societies, be they Chinese or otherwise.