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**Taiwan's Domestic Politics**  
**since the Presidential Elections 2000**

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Taiwan's Domestic Politics since the Presidential Elections 2000

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***Abstract/Zusammenfassung:***

This paper looks at several developments that have taken place in domestic politics on Taiwan since the election of Chen Shui-bian as president of the Republic of China on Taiwan in 1998. After discussing the political successes and failures of the incumbent Chen administration, it analyses its strategy in dealing with the consequences of divided government. Some of the problems encountered by the administration are traced to changes in the political system of Taiwan that took place during the presidency of Lee Teng-hui. The paper also deals with the new role of the president as chief executive and functioning of the legislative. Finally, the reaction of the major political parties to the changes in the political situation is explored.

***Keywords/ Schlagwörter:***

Taiwan, domestic politics, divided government, political system, party system, Chen Shui-bian, Lee Teng-hui

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# Taiwan's Domestic Politics since the Presidential Elections 2000<sup>1</sup>

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## ***Introduction***

On May 20th, 2002, President Chen Shui-bian celebrated the second anniversary of his ascendance to power. Compared to his first anniversary in office, commentaries on the state and on the achievements of his administration had a less strident tone than the year before, though they still were very sparing in approval. While some observers saw Chen finally arrive at a position that would enable him to achieve a better performance in the second half of his term – the tenor of the editorial of the Taipei Times<sup>2</sup> - most other commentaries agreed in the assessment, that the jury on Chen's performance was still out and that he badly needed some political breakthroughs in order to re-establish his image as a successful political reformer.<sup>3</sup>

This paper will deal with several aspects of Taiwan's domestic politics since the presidential elections in the year 2000. After a short discussion of several issues bedeviling the Chen administration and their evaluation by domestic and foreign observers, the following parts will focus on President Chen's political strategy in coping with the challenges of divided government.

While a majority of the observers arrive at similar conclusions concerning the reasons for the dismaying performance of the Chen administration, namely lack of experience, shortage of qualified personnel and – above all – the persistent blockade of his initiatives by the opposition in the Legislative Yuan, I will chose two different perspectives: One will focus on the implications of President Chen's political strategy in provoking the uncooperative behaviour of the political opposition. The second will look into the role the political institutions of the Republic of China on Taiwan have played in provoking the dismal policy outcomes.

The argumentation will unfold within a second analytical framework, an analysis of the main features of the political system that Lee Teng-hui bequeathed to Taiwan. The main argument will be, that the constitutional reforms initiated by Lee Teng-hui established a

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<sup>1</sup> Revised version of a paper presented at the 2002 Conference on Taiwan Issues, Centre for Asian Studies, University of South Carolina, Columbia S.C., June 7-9, 2002

<sup>2</sup> Editorial: Chen's activism can now take shape; Taipei Times online edition May 20<sup>th</sup>, 2002

<sup>3</sup> Hajari, Nisid, and Melinda Liu; See Chen Run; Newsweek, May 20, 2002; Lim, Benjamin Kang; Taiwan's Chen Has Yet to Earn His Stripes. Reuters, May 20, 2002, In: Taiwan Security Research, May 20, 2002

highly deficient structure of political institutions, able to work efficiently only if a dominant party system existed, providing certain structures and services.

During the last three months both the president and his government as well as the Democratic Progress Party (DPP), since the legislative elections in December 2001 the largest party in the Legislative Yuan, have announced – or already implemented – several measures aimed at improving some of the weak points of the institutional arrangements and thus increasing the likelihood for a more efficient rule during the second half of President Chen's term. The final part of my paper will discuss the notion that these steps represent a return to the Lee Teng-hui system, at least in some areas.

### *Accomplishments of the Chen Administration*

In his inaugural speech, President Chen outlined a number of policy areas on which his administration would focus. Among those areas receiving considerable public attention one would find the intention to establish a supra-party government, a determined dealing with corruption, economic policy, the environment and the cross-strait relations.<sup>4</sup>

Contrasting these high-spirited and far-reaching intentions was the weak political basis of the new administration. At the time of Chen's ascent to power, the president and his party, the DPP, did not have coherent policies for the relevant policy areas. His choice of personnel was very limited: the DPP had only a few senior members with local administrative experience and there had been no experience on Taiwan how a transition of power should take place. In addition, the new administration inherited a military and a civil service, both highly politicized and with strong leanings toward the opposition camp. The government could count on only one-third of the legislators in the Legislative Yuan and the sheer lack of government experience within the DPP created numerous problems.

The consequences of insufficient preparations and personnel made themselves felt quickly. Evaluating the results of Chen Shui-bian's first year in office, Shelley Rigger even choose a term hitherto used exclusively to describe the tribulations of a well-known reigning monarchy, 'annus horribilis'.<sup>5</sup>

Having raised what some observers called 'inordinately high expectations' the president and his administration soon encountered a succession of crises and setbacks. His plan to establish a 'government of the whole people' soon dissipated, due to persistent resistance by those organizations which were supposed to provide the personnel needed to realize this aim.

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<sup>4</sup> Comp. Hans-Wilm Schütte; Taiwans neue Regierung: Hintergründe, Personen, Ziele. *In:* China aktuell, Mai 2000, 508ff

<sup>5</sup> Shelley Rigger; Taiwan's perilous transition. *In:* Asia Times online, June 9, 2001

Faced with receding global demand, Taiwan's economy experienced a considerable decline with the government having no policies at hand to reverse the trend. Nor did it make progress in addressing the economic problems inherited from the Lee administration, like the reduction of Non-Performing Loans and the restructuring of the banking sector, to name just a few.<sup>6</sup>

The controversy over continuation or termination of the construction of the fourth nuclear power plant turned out to be the major policy disaster for the Chen administration during its first year of office. It resulted in the premature resignation of premier T'ang Fei and burdened his successor Chang Chun-hsiung with constitutional controversies and dismal relations with the political opposition. It also incurred a considerable loss of support for the new administration in reformist intellectual circles and non-governmental organizations, which started to reassess their relations to and their expectations of the government.<sup>7</sup>

The one policy area which turned out to be quite successful and gained the government positive ratings among both population and intellectuals was its energetic engagement in repressing corruption, especially those forms of corruption and criminal influence related to the political arena (heijin). Under the administration of Lee Teng-hui, widespread involvement of criminal organizations and individuals in politics had been reported. Initiatives to counter these developments undertaken by two ministers of justice, Ma Ying-yeou and Liao Cheng-hao, were blocked by the administration, however.<sup>8</sup> Under the guidance of Minister of Justice Chen Ding-nan, police investigations into cases of political corruption and the involvement of politicians in criminal activities were intensified.

At the same time, the handling of the investigations concerning misdemeanour by members of the Legislative Yuan showed a number of deficiencies. It demonstrated a lack of understanding of the sensitive relationship between the executive and legislative powers of government and led to serious protests by the speaker of the Legislative Yuan and members of the opposition parties, thus further increasing tensions between the administration and the legislative majority.

Compared with the catastrophic results of its first year in office, the administration managed to pass the second year committing fewer mistakes and laying the foundations for a

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<sup>6</sup> Comp. Hermann Halbeisen; *Regierungswechsel ohne Machtwechsel: Das erste Jahr der Präsidentschaft Chen Shui-bian*. Unpublished manuscript, Cologne 2001, p.6

<sup>7</sup> The first indicator of a growing disenchantment of reform oriented groups was the critique of the Taipei Society (Cheng-she), published 100 days after the inauguration of the new administration. See Joyce Huang; *Report Criticizes Performance of New Government*. In: Taipei Times online edition, August 21, 2000

<sup>8</sup> According to informations provided by former minister of justice Liao Cheng-hao, in 1997 256 members of a total of 858 members of county parliaments were criminals or had relations to criminal circles. A representative of one of the most powerful triad organization of Taiwan was elected as national legislator in 1995. Comp. Joseph Jauhseh Wu; *After the Watershed, the Uncertainties*. In: *Chinese Perspectives* 29 (2000), 30-31

possibly successful second half of Chen's term as president. Some observers remain sceptical, though. According to a Newsweek report: „... Chen ... sounds like he is still running for office. ... He faces the same question as all perma-politicians: what does he stand for after the election.“<sup>9</sup>

Chen Shui-bien has now reached the halfway point in his term as president – and it is still unclear which direction he will follow in his policies. Thus far Chen has shown himself less adept at details. His economic team remains weak. The island has been slow to attract new investment in services and high-value-added industries. The banking system is in a mess, with the real rate of non-performing loans somewhere between 15 and 18 percent, and companies reluctant to repatriate their profits from the mainland. Chen has accepted that direct links with the mainland are necessary, but he is still reluctant in carrying out this policy with the necessary determination. Critics of his economic policies also include the American Chamber of Commerce in Taiwan. In its recently published report '2002 Taiwan White Paper', the chamber demands a relaxation of the restrictions on hiring staff from mainland China and argues against the government's continuing efforts to micro-manage market forces.<sup>10</sup>

Although the administration did not manage to achieve a decisive breakthrough in economics, the President was able to accomplish some preliminary tasks which hold the potential for achievements in the not too distant future. The convening of the 'National Economic Development Advisory Conference' (EDAC) ameliorated the government's relations with the business community and provided a plethora of suggestions for policy initiatives in the coming years. It „was the first time Chen had shown that he had both understood his position of weakness and also how, within that position, to still get what he wanted. Whatever the EDAC's usefulness in economic policy meant – and there is no doubt that it gave impetus to a number of measures, especially related to clearing up Taiwan's banking mess – it was a popular success for Chen in showing that he was not as high-handed nor as doctrinaire as was popularly thought and that he was willing to ditch DPP shibboleths when the wider consensus advised him to do so. Chen came out of EDAC looking like a man who could be worked with, ...“<sup>11</sup> All in all, the EDAC formulated 322 suggestions for economic policies, which the president pledged to implement completely.

Following suit, the government made its plans for a new six-year development project. Proposing to invest up to NT\$ 2.6 trillion in the coming years the government intends to turn Taiwan into a 'green silicon island', focussing on the development of new value-added indus-

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<sup>9</sup> Hajari/Liu, op.cit.

<sup>10</sup> Taiwan must forge clear policy, says survey. In: Asia Times online, May 9, 2002

<sup>11</sup> Laurence Eyton; Taiwan: A job still half done. In: Asia Times online, May 21, 2002

tries, the strengthening of the island's basis in research and development and improving the quality of the workforce through a program for talent cultivation.<sup>12</sup>

Though these measures demonstrated a new resolve on the side of the government to address the economic problems, decisive progress will be difficult to achieve. In addition to its still insufficient basis of support in the Legislative Yuan, which will complicate legislation, the government is also faced with a severe budget problem that puts limits on new programs needing additional funding. Although the deficit is not extraordinarily large, reaching 3.4 percent of GDP, the government has already exhausted its ability to borrow, due to a limit on borrowing which may not exceed 15 percent of the total budget.

During the legislative elections in December 2001, President Chen and the DPP were able to score an important success, thus strengthening his position vis-à-vis the legislature and enlarge his scope of action for the second half of his term of office.

The parliamentary elections changed the distribution of mandates between the competing parties in the Legislative Yuan, though it did not overturn the balance of power between the two opposing 'pan-green' and 'pan-blue' camps. The KMT lost its position as the largest party in the Legislative Yuan, losing 17,7 percent of its votes to achieve 28,7 percent of the votes. The DPP, which achieved 33,4 percent of the votes, became the largest party, though it still remained within considerable distance from a majority of seats.

Two newcomers fared astonishingly well. The 'People First Party' (PFP), founded by the former secretary-general of the KMT and governor of Taiwan, Sung Chu-yü (James Soong), after his defeat in the presidential elections, managed to reach 18,5 percent of the vote. The 'Taiwan Solidarity Union' (TSU), organized by Lee Teng-hui loyalists after he relinquished his chairmanship of the KMT and was deprived of his party membership, received 7,8 percent of the vote.<sup>13</sup>

Though its position in the Legislative Yuan was strengthened, the DPP was still unable to muster a majority – as a single party or in combination with the TSU. The two parties constituting the 'pan-green' camp only managed to win 100 seats (DPP: 87, TSU:13), confronting a 'pan-blue' camp which – regardless of the severe losses of the KMT – still managed to win 115 mandates, thus being able to control legislation. For the president the election results were also of a mixed blessing: although still confronted with a majority of the 'pan-blue' camp, the division of the camp into two major parties pursuing their own political aims will

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<sup>12</sup> Noah Weston; Chen's first 2 years see major changes. In: The China Post internet edition, May 20, 2002

<sup>13</sup> Hermann Halbeisen; Gewichtsverschiebungen, aber kein Machtwechsel: Ergebnisse und Konsequenzen der Dezemberwahlen auf Taiwan. In: Freies Asien, January 2002, p.4

open opportunities for negotiation and cooperation. On the other hand, the success of the TSU – though providing a number of direly needed mandates – may create additional problems, due to its unabated 'Taiwan priority' orientation and strong leanings toward supporting the ideas of its 'spiritus rector', Lee Teng-hui.

After the elections, President Chen was finally able to correct some of the personnel decisions that marred his first year in office. The new cabinet, presented by Premier Yu Shyi-kun, seems to be of a more homogeneous nature than its predecessors, comprising mostly politicians loyal to the president. The new premier has, in addition, a long history of working with President Chen, both within the DPP and the government, having been secretary general of the presidential office before being appointed to his new position.<sup>14</sup>

Summing up the Chen administration's experience during its first two years in office, several issues come to the fore: the implications of divided government and the government's ability to accomplish its legislative agenda, the problem of finding personnel for the various government positions, revealing a severe lack of talent on the side of the DPP, and finally, problems of coordination and communication within the executive branches of government, the presidential office and the Executive Yuan, as revealed in the rather chaotic handling of the decision-making process concerning the 4<sup>th</sup> Nuclear Power Plant.

### ***Chen's Approach in Confronting Divided Government***

When President Chen took over the presidency, he was confronted with a situation of divided government, facing a Legislative Yuan controlled by the main opposition party. There seems to be a consensus among observers that one main reason for the Chen administration's problems during its first year in office is to be found in the obstructionist behaviour of the KMT, comprising both central party headquarters and the parliamentary party, which repudiated a number of well-intentioned offers by President Chen. „That is not to say that Chen did not try to work with the opposition. On coming to office he made it clear that he was quite prepared to work with talent from the opposition parties in what he called 'a government for all the people', but the KMT was opposed to any of its members working with him. Those who did, such as Chen's first premier T'ang Fei, needed special permission from their party and were placed under a harsh party spotlight to make sure that they were acting in accord with KMT policy.“<sup>15</sup>

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<sup>14</sup> Comp. Laurence Eyton; Taiwan reshuffle draws a better hand. *In*: Asia Times online, January 26, 2002

<sup>15</sup> Laurence Eyton; Taiwan: A job still half done. *In*: Asia Times online May 21, 2002

Several times during his first two years in office, President Chen suggested the formation of supra-party bodies: the 'government for all the people' immediately after his election, the 'cross-party alliance for national stability' during the legislative election campaign in the year 2001. In both cases, the cooperation between competing political forces would be sought in order to further policies deemed to be in the national interest.<sup>16</sup>

This approach may look very similar to the bi-partisan approach chosen by the president of the United States to enlist the nation's foremost political talents to his cabinet or – under somewhat different circumstances – to ensure the support of Congress for his various policies. Interpreting Chen's offers according to this frame of reference tends to overlook the considerable differences between the two political systems. For one, a tradition of presidential bi-partisanship similar to the American one has not been established in the Republic of China. Secondly, in a semi-presidential system the position of the president in relation to other political offices is not as exalted as it is in a presidential system à la USA. Third, if these proposals should be regarded as being more than a tactical move aimed to overcome a minority position, they have to be made in a form that is in accordance with the political conditions on Taiwan.

Choosing a bi-partisan or supra-party approach in Taiwan also reveals a misunderstanding of the nature and obligations of the legislators in Taiwan, be it intentional or unintentional. The members of Congress are organized in party caucuses that do not enforce compliance to the party's or the caucuses position and voting along party lines is not the general rule. The political parties the legislators belong to are organizationally weak and are not in a position to influence the political behaviour of its representatives in Congress.

The two major political parties on Taiwan, the DPP and the KMT, are organized along European lines, however, demanding discipline of its party members and loyalty to the party line, a demand, which is valid also for the members of the Legislative Yuan. Both parties have established a differentiated party organization and a number of commissions that formulate policies which the parties' MPs are supposed to uphold in the deliberations and voting procedures of the Legislative Yuan.

While interpretations of the exact nature of Taiwan's political system vary, they enclose the whole range from seeing it as being more of a parliamentary kind<sup>17</sup> to one being similar to the American presidential system. The majority of observers agree that it is a semi-presidential one, similar in a number of aspects of the political system of the French 5<sup>th</sup> Re-

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<sup>16</sup> The China Post Staff; President still pushing for supra-party alliance. In: The China Post internet edition, November 24, 2001

<sup>17</sup> This position is taken by John Hsieh. Comp. John Fuh-sheng Hsieh; Continuity and Change in Taiwan's Electoral Politics. In: Hsieh, John Fuh-sheng, and David Newman, eds.; How Asia Votes. New York/London 2002, p.33

public. Under the conditions prevalent in such a political system, if a case of divided government develops, the president has only a very limited range of choices if he wants to avoid a political stalemate between his administration and the majority in the legislature. While he does not have to follow the French example of 'cohabitation', he has to establish a firm and reliable relationship with other political parties in order to be guaranteed a political majority in the legislature, namely a coalition government. A final option may be the emulation of the 'Japanese way' of reaching a majority in parliament: inducing members of competing party caucuses to switch the line.

Neither immediately after the start of his administration nor after the DPP's success in the Legislative Yuan elections in December 2001 did President Chen make a concrete offer to another political party to form a coalition-government nor did he enter into formal negotiations with the parties represented in the Legislative Yuan in order to form a coalition government. Instead, he used a number of devices intended to divide the opposition parties. Elaborating on the DPP's strategy in realizing the 'national stabilization alliance', Wu Nai-jen, then secretary-general of the DPP, made following remarks: „The DPP's first choice is to explore cooperation with existing political parties. If inter-party cooperation does not work out, the DPP will then approach other groups and individual lawmakers for cooperation.“<sup>18</sup>

In contradistinction to Wu Nai-jen's professed interest in arriving at a 'cooperation' between political interests, it seems that several of the DPP's factions were arguing against such a move, with Wu's own faction, the 'New Tide', being the one most vehemently opposed to the idea.<sup>19</sup> With these circumstances in mind, President Chen's supra-party approach cannot be considered as an expression of bi-partisan politics, but has to be seen as a conscious attempt to split the political opposition, thereby eliciting the hostile reactions of both the KMT and the PFP.

### ***The impact of systemic changes under Lee Teng-hui***

Up to this point, our discussion of the reasons for the political stalemate and the lackluster performance of the Chen administration have focused on the behaviour and the strategies of the main political actors on Taiwan. To carry the argument a step further, the impact of the political system as it developed during the presidency of Lee Teng-hui will be analysed.

During Lee Teng-hui's rule, numerous amendments of the constitution of the Republic of China on Taiwan were undertaken. Mostly initiated to facilitate problems encountered by

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<sup>18</sup> China Post 24.11.2001, op.cit.

<sup>19</sup> See Andreas Fulda; More of the same? Taiwan's changing political landscape, 2000-2002. Paper presented at the London Chinese Studies Seminar, February 7, 2002, p.9

the government in the process of political reforms, little thought was given to their long term impact on the polity. These changes were instrumental in shaping the institutional relations on the executive side of government.

One constitutional revision changed the relationship between the President of the Republic and the President of the Executive Yuan (premier). In nominating the premier, the president no longer needed the consent of the Legislative Yuan. Although the duties of the premier did not change, he continues to be the head of the executive, in popular understanding and political practice a new relationship between president and premier came into being: the President of the Republic became Taiwan's chief executive. Filling the office of premier with a trusted collaborator, the president could take over the de facto leadership of the executive side of government without incurring its legal responsibilities. The new situation was aptly expressed by the then premier Lien Chan, who described himself as 'the secretary of the president', thereby implying that the premier's job is limited to implementing decisions taken elsewhere.<sup>20</sup>

Though political practice had changed no changes in the institutional arrangements occurred. The presidential office's tableau of personnel was neither restructured nor enlarged to cope with the newly acquired complicated tasks.<sup>21</sup> This has not been necessary, because under the presidency of Lee Teng-hui, the vital functions of policy making, coordination and implementation were provided by a non-governmental institution.

The central tasks of policy formulation and – later on – of coordination among the presidential office, the Executive Yuan, and the KMT parliamentary party in the Legislative Yuan were undertaken by the KMT party headquarters. Relying on his position as chairman of the KMT and utilizing the prerogatives of office, the president could use the party apparatus and party discipline to accomplish the twin tasks of formulating policies and passing them into law.

While these measures strengthened the position of the president within the executive structure of Taiwan's government, a reform of the legislature was neglected. During Lee Teng-hui's presidency, the president cum party chairman and the central party headquarters took comparatively little interest in the workings of the Legislative Yuan, once its main obligation of providing the government with a majority had been achieved. The quality and quali-

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<sup>20</sup> The Free China Journal 10:16 (1993), p.1

<sup>21</sup> While the number of political staff in the Presidential Office is quite limited, the President can also call on the counsel of some 100 'senior advisors to the president'. The inadequacies of the present system of were revealed a few weeks ago, when two advisor rejected a renewal of their terms, because they did not fulfil any useful role. See 'Presidential advisers make tracks', Taipei Times Online Edition, May 22<sup>nd</sup> 2002

fications of the legislators received scant attention, as did the internal operations of the legislative process.

### ***Institutional Limits to the President's Role as Chief Executive***

Chen Shui-bian, as successor to Lee Teng-hui, shared his predecessors perception of the president's role as chief executive. With the change in the office of president from President Lee to President Chen, the deficiencies of the new arrangement immediately became visible. Under the conditions of divided government, vital policy functions were no longer available to the president. Thus, from the beginning, Chen's presidential rule was characterized by severe problems of coordination. Under the premiership of T'ang Fei, a member of the oppositional KMT, even the secretarial function of the premier was no longer available. The continuing difficulty of policy coordination between president and premier continued after the resignation of Premier T'ang and the appointment of DPP stalwart Chang Chun-hsiung as premier, who had long working experience with President Chen. Only with the recent appointment of his trusted aide Yu Shyi-kun, one of the bottlenecks of policy coordination seems to have disappeared, at least for the time being.

In addition to the problems of coordination within the executive, the relationship between the executive and the legislative was also functioning badly. The DPP party headquarters, since the party's foundation endowed with only very limited resources, was unable to emulate the functions of its opposite number in the KMT. Although some informal solutions of the problem were devised, such as the establishment of the 'Nine-Person Small Group' (*Ji-uren xiaozu*), they also did not function efficiently, due to a shortage of personnel and resources.<sup>22</sup>

Unable to undertake the necessary changes within the institutional structure of the government, the DPP acquiesced to a severe reorganisation of its leadership structure. On April 20 this year, an extraordinary session of the party's national convention revised the party charter to provide an incumbent DPP president with a strong leadership position. The amended charter provides for the president to become ex officio chairman of the party and to appoint one to three vice chairmen of the party as he sees fit. According to then party chairman Hsieh Ch'ang-t'ing, 'the DPP has to become a communication platform for the presidential office, the cabinet, the DPP legislative caucus and the party leadership'. President Chen's

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<sup>22</sup> Interview with Wilson Tien, DPP, Taipei, September 2000

simultaneous role as party chairman would provide the basis for the president to 'lead the government through the integrated communication platform'.<sup>23</sup>

Some of the problems of control and coordination within the executive should become less complicated once the restructuring of the Executive Yuan has taken place. Government efforts to reorganize the unwieldy structure of the cabinet have resulted in a proposal by the government reorganization committee that will lead to a reduction in the number of cabinet agencies from currently 35 to 23. These will consist of 18 ministries, three policy-coordinating organs and two executive management organs. In addition, a certain number of independent units will be placed under the presidential office's direct jurisdiction.

Up till now, the whole reorganization process was carried out within the confines of the executive branches of government, without any consultations with the Legislative Yuan. Since the organizational law has to be passed by the legislature, severe controversies can be expected.<sup>24</sup>

### ***The Legislative Yuan: Bottleneck of Legislation or Check on the Administration?***

For quite some time now, the Legislative Yuan has become the focus of intensifying criticism from the Taiwanese public as well as the administration, characterizing the institution and its members as being inefficient and preventing timely governmental action through inaction and failure to deliberate government bills within an appropriate space of time.

The negative perception of the Legislative Yuan in the opinion of the Taiwanese public has been enhanced by a number of events, foremost among them being the appalling behaviour of some legislators within and outside the Legislative Yuan. The affiliation of several legislators with criminal circles, brawls and the beating of fellow legislators as well as brazen attempts to keep certain committees under the control of interested parties have enhanced the public's negative assessment of the institution's functioning within the policy process and the qualifications of the legislators. Neither was the public able to accommodate itself to the new circumstances of divided government, which saw the legislature acting as opposition to the plans of the government.

This perception was intensified by the government's efforts to describe the legislature as a major stumbling block, hindering reform initiatives through tardiness in dealing with government bills. Although this assignment is not supported by facts, the Legislative Yuan

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<sup>23</sup> DPP enable president to don two hats; The China Post internet edition, April 21<sup>st</sup>, 2002; Laurence Eyton; Taiwan: President vs party opens a can of worms. In: Asia Times Online, April 26, 2002

<sup>24</sup> The China Post Staff; Committee decides on Cabinet structure after reorganization. In: The China Post Internet Edition, March 31, 2002

deliberates on and passes an average of 60 bills in each session;<sup>25</sup> the institution is facing a number of problems limiting both its efficiency in the legislative process and its function as a check on governmental activity. Over the years, the Legislative Yuan has been unable to increase the level of competence of its members in relevant policy areas. Membership in legislative committees is not assigned on the basis of qualification or interest – and in many cases is changing every six months. Neither has the Legislative Yuan been able to establish a seniority system providing leadership in its deliberations. The term of office as whip of the DPP's parliamentary party, for example, is limited to one session of parliament, the same regulation applies to other leading functionaries.

There seems to be a tendency on the side of the political parties to limit the scope of freedom of action the legislators enjoy in parliamentary voting. Demands to show one's ballot to a party whip before putting it into the box are increasing. Non-compliances with these kind of demands can lead to a loss of the mandate, as has just been demonstrated in the case of legislator Chiu Chang. Ms. Chiu, having been elected indirectly to the Legislative Yuan, is facing a deprivation of party membership because of non-compliance with caucus regulations. Legislators who got their mandate through election by ticket will lose their mandate if they lose party membership.

A government reform committee headed by President Chen decided that the number of lawmakers in the Legislative Yuan should be reduced by around one third to 150 persons by 2003. The tenure of the legislators should be lengthened to four years. According to the President, reducing the number of legislators 'will not only ease the government's financial burden, but will also pave the way for a smoother legislation process.'<sup>26</sup> In his opinion, it is the common goal of both the ruling party and the opposition to make the legislature a more rational and efficient body, that will be more capable to reflect the opinion of the people and check the actions of the government.

At the same time, the election system of the ROC should be changed from a system based on SNTV to system similar to the one practiced in the Federal Republic of Germany, providing each voter with two votes, one to choose a legislative candidate in his constituency and one to choose the list of a political party. Of the envisioned number of 150 legislators, 90 will be elected directly, while 60 will be chosen from the party lists according to the share of votes the individual party receives.

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<sup>25</sup>Interview with legislator Lai Shih-pao, Taipei, September 2001

<sup>26</sup> The China Post Staff; Reform panel decides to cut 75 lawmakers. In: The China Post Internet Edition, May 6, 2002

Opposition legislators agreed with the government as far as the need to reduce the number of legislators is concerned. There are, however, differences of opinion regarding the number of legislators the island needs, with the reduction proposed by the government putting the ratio between voters and legislators on Taiwan well below the one enjoyed by the citizens in Germany or the United Kingdom. The preferred numbers of the opposition parties range between 165 and 200 members.

### ***The Political Parties***

The two major political parties on Taiwan both had to find ways to cope with the consequences of the presidential elections, though the resulting problems were of a different nature in each case. Problems common to both comprise the relationship between the party as an organisation and the parliamentary party as well as the involvement of legislators in the party leadership.

#### *Democratic Progress Party*

After more than a decade of playing the role of political opposition, the DPP is now confronted with the challenge to readjust its outlook and its internal processes to comply with its newly acquired role as a ruling party. Established as a loose alliance of factions with strongly conflicting values and policies in several policy areas, the party developed a structure designed to accommodate groups with conflicting views and to avoid a concentration of power in the party leadership. Limiting the terms of office of its chairmen and developing a structure of countervailing committees, power in the party was dispersed.

Confronted with the need to create a 'strategic centre'<sup>27</sup> in order to coordinate the activities of the president, the executive, the parliamentary party and the party itself, the DPP could not take recourse to an established institutional framework. Attempts at solving the need for effective coordination through the creation of informal structures like the *Jiuren Xiaozu* turned out to be ineffective, due to a lack of organizational resources and of power to secure the enforcement of the results of its deliberations within the party and the legislature.

Having refused demands by the parliamentary party for greater representation in the party leadership, thereby providing legislators with an opportunity to influence policy formulation, the party finally adopted a model similar to the one practiced by the KMT in the past:

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<sup>27</sup> The term has been used first by Raschke in analysing the problems of the German Green Party. Comp. Joachim Raschke; *Die Zukunft der Grünen*. Frankfurt/M 2001, p. 40 passim

the president acting as chairman of the party.<sup>28</sup> The revised party charter provides for the president – if he is a member of the DPP – to become the ex-officio chairman of the DPP, entitled to staff the party leadership with up to three vice-chairmen of his choice. At this point in time, it is not yet possible to assess the consequences this new model will have on the party and its mode of operation. The danger, that the party's role in policy formulation will be subordinated to the requirements of presidential rule, however, is obvious.

### *Kuomintang*

During the decade, the KMT was confronted with a number of defections which seriously eroded its influence and reduced its appeal in different sectors of the electorate. It also had to come to terms with two major defeats in the presidential and legislative elections, though it was able to strengthen its position in the county elections in December 2001.

After the resignation of Lee Teng-hui as party chairman, the KMT undertook several reform measures. It finally implemented the long delayed reorganisation of the party structure and a scrutiny of party membership. Though the screening of party membership resulted in a dramatic loss of party members, membership was reduced from 1,9 million to around 900.000 members, party headquarters now have a realistic perception of the membership structure, the party itself can count on a membership committed to the party's political aims. As a further result, party organization has become leaner and the number of full-time personnel was reduced.

The KMT still faces numerous problems, however, among them the need to redefine the party's ideology and identity within a changing Taiwan and to decrease its reliance on local factions. In the context of organisational reform, the participation of legislators in the party leadership was increased and their influence strengthened.<sup>29</sup> This step, though reducing the influence of the technocrats, may have some unwanted side effects, however, providing further room for inroads of particularistic interests of local factions and other interest groups, which already enjoy considerable leverage over the national party headquarters.

Compared to the problems faced by the two major parties, the challenges confronting the two smaller parties that entered the Legislative Yuan after the legislative elections in December 2001 are of a different nature. Both parties were conceived as vehicles to further the political aims of their founder or spiritus rector, therefore these parties face the tasks of estab-

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<sup>28</sup> The China Post Staff; Hsieh reveals congress session on party future. *In:* The China Post Internet Edition, March 3, 2002, and Laurence Eyton; President vs party opens a can of worms. *In:* Asia Times Online, April 26, 2002

<sup>29</sup> Taipei Times, July 31, 2001

lishing a political identity of their own as well as creating an organisational structure and a membership base.

### *Taiwan Solidarity Union*

According to its own declarations, which were supported by several statements made by its spiritus rector and main electoral attraction, Lee Teng-hui, the TSU's main objective was to guarantee a stable majority – together with the DPP – in the Legislative Yuan, thereby creating the necessary pre-condition that would enable President Chen to accomplish his political programme. Although it failed in realizing this aim, the TSU has become Taiwan's 4<sup>th</sup> largest political party, as far as mandates in the Legislative Yuan are concerned.

Below its idealistic facade, two main motives for the establishment of the party can be discerned. One motive is the desire by Lee Teng-hui to retain a modicum of influence on the direction of the political process in Taiwan and thus preserve the policies he initiated during his terms as president and chairman of the KMT, namely the further 'Taiwanization' of Taiwan and the strengthening of Taiwan's international position vis-à-vis the People's Republic of China.

A second motive derives from the desire of Taiwanese businessmen, mainly in the Southern parts of the island, to improve competitive position. Unwilling – or unable – to either upgrade or to relocate their businesses to the Chinese mainland, they became very unsatisfied with the government's economic policy of furthering globalization and demanded that priority be given to the needs of Taiwan's SMEs, instead. These motives coincided with those of a number of local politicians, affiliated with the DPP and the KMT, who failed to be nominated and were looking for another chance to enter parliament.<sup>30</sup>

Within Taiwan's political spectrum, the TSU plays the role of an uncompromising advocate of a 'Taiwan priority' orientation, at times challenging the policy of economic liberalization followed by President Chen. The party has few qualified politicians and only a limited political message. It lacks a local organizational structure and has no institutional foundation.

### *People First Party*

In several aspects, the reasons that led to the foundation of the PFP are similar to those of TSU. The party was established after the strong performance of its founder and chairman, Sung Chu-yü, in the presidential elections of the year 2000. Having lost his political base in

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<sup>30</sup> Interview with Shu Chin-chiang, Secretary General of the TSU, Taipei, September 2001

the KMT, the former secretary-general of the KMT and governor of Taiwan needed a new political instrument if he wanted to maintain his influence in domestic politics and conserve a realistic chance of winning the presidential elections in 2004.

In the legislative elections, the party fared unexpectedly well. Despite this obvious success, doubts remain whether the PFP will be able to establish itself as an entity independent from the charisma of its founder. At the moment, the party relies on a number of supporters who became affiliated to Sung in different phases of his political career. According to the observations of Fulda, they comprise three groups: a) former KMT legislators, who are dissatisfied with the KMT's slow pace of reform, b) anti-Lee and pro-unification minded legislators, and c) people who benefited from Sung's money politics during his tenure as governor of Taiwan province.<sup>31</sup>

### ***Resumé***

Compared to the self-proclaimed end of his presidency and to public expectations, the outcomes of President Chen Shui-bian's first two years in office have been rather disappointing. Under the circumstances of a divided government, the new administration could not achieve many policy successes, while problems of coordination between the President, the Executive Yuan and the DPP resulted in numerous failed initiatives and political disasters.

In the second year of his presidency the president proved more apt in coping with the consequences of insufficient support in the legislature. A limited success of the DPP in last year's legislative elections reduced the majority of the pan-blue camp, the post-election reorganisation of the Executive Yuan may not have led to the creation of a new 'dream team',<sup>32</sup> but to forming a cabinet more in tune with the President Chen's political outlook. Combined with an improvement of Taiwan's international economic outlook, these changes will give the president and his administration greater leeway to deal with the fragmented pan-blue camp and create opportunities for realizing the administration's political aims.

Turning to Taiwan's political system, the flaws and inconsistencies of the constitutional order, the result of a series of revisions undertaken to correct shortcomings of the original constitutional design, complicate the political process and provoke controversies concerning the nature and direction of the polity and the structure of the state. President Chen defines the prerogatives of his office as being the chief executive, aided in his work by the Executive Yuan, an interpretation, needless to say, that is challenged by the political opposition. Under the present political conditions on Taiwan, the institutional implications of this concept, estab-

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<sup>31</sup> Andreas Fulda, *op.cit.*

<sup>32</sup> Laurence Eyton; Taiwan reshuffle..., *op.cit.*

lishing a formalized working relationship between the presidential office and the Executive Yuan, cannot be realized. Vague wording in the constitution may give rise to further conflicts concerning the nature of the executive arrangement in the future.

In distinction to the positive perception the president and the executive in general enjoy among the population, the Legislative Yuan is plagued with a perception of being inefficient and obstructive. His role as a check on the executive power is seldom appreciated. Taking the existence of numerous problems in the Legislative Yuan's internal working procedures as a pretext, both the executive branch of government and the political parties cooperate in reforming the body in a way, which will increase their leverage on the legislators and reduce their independence of action.



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