

Former ruling party suffers heavy losses in Taiwan election

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19 December 2001

The December 1 legislative elections in the Republic of China (ROC) on Taiwan represented another milestone in the decline of the Kuomintang (KMT), which held power on the island from 1946 until its defeat in last year's presidential poll. The KMT won only 31.2 percent of the vote and 68 seats in the 225-seat chamber, down from 46 percent and 123 seats in the 1998 election. The Democratic Progressive Party (DPP) of President Chen Shui-bian, which only 14 years ago was illegal under KMT rule, won 87 seats and is now the largest parliamentary party.

Throughout the campaign, the DPP appealed for voters to deliver it a clear majority. Since the March 2000 presidential election, Chen's government has been forced to horse-trade with a KMT-dominated parliament to get legislation passed. The DPP claimed that, with a majority, it would be able to implement policies to tackle the island's faltering economy. Taiwan has suffered severely from the downturn in the US, Japan and Europe. The island's major computer and high-tech export industries are facing falling sales and prices. Factory closures and mass layoffs are rising and unemployment has soared to the historic high of 4.7 percent. Over the past 18 months, Taiwanese companies have stepped up the transfer of investment and production to mainland China to take advantage of cheaper labour, land and utilities.

The overriding issue in the campaign, however, was Taiwan's relations with China. The DPP's origins as a Taiwanese nationalist formation, advocating independence from China, alienated a substantial section of the population who fear a confrontation with the mainland. China threatens to invade Taiwan if the island officially separates. While Chen Shui-bian has eased trade and investment restrictions with the mainland, he has refused to officially recognise Chinese

sovereignty over Taiwan. In retaliation, the Beijing regime has blocked any diplomatic exchanges with his government. The DPP's vote only increased from 29 percent in 1998 to 36.6 percent.

The main beneficiary of the fall in the KMT vote was the newly formed Peoples First Party (PFP) and its leader James Soong. The PFP won 46 seats and 20 percent of the vote in its first legislative election. A KMT powerbroker, Soong rebelled against the attempts by KMT president Lee Teng-hui to assert a separate Taiwanese nationalism and seek international recognition for the island. Traditionally the KMT, like Beijing, has regarded Taiwan as part of China. Soong was expelled from the KMT in September 1999 after he declared he would stand as an independent in the 2000 presidential election and seek improved relations with Beijing.

After losing much of its membership and voter support to Soong's PFP, the KMT reverted to its previous stance on China and this September expelled Lee Teng-hui for supporting a new Taiwan nationalist grouping, the Taiwan Solidarity Union (TSU). In this election, the PFP and the KMT campaigned on virtually identical policies, attacking Chen Shui-bian as incapable of either reviving the economy or easing the political tensions with China.

Despite these efforts, the KMT is in danger of being replaced by the PFP as the main opposition party. Though most of the PFP's membership was previously part of the KMT, it has been able to tap into the widespread hostility toward the former ruling party due to the KMT's decades of dictatorial and corrupt government. In the election's aftermath, more KMT legislators are rumoured to be preparing to defect to the PFP and it is widely expected that Soong will stand for president again in 2004.

Both Soong and the KMT were backed by a powerful layer of the island's business elite, who, as their investments in China grow, are pushing for far closer political ties with Beijing. Over 300,000 Taiwanese now live and work in the Shanghai area alone and cumulative Taiwanese investment on the mainland is conservatively estimated at between \$US60 to \$US100 billion.

The absence of any broad support for a more confrontational policy toward China was indicated by the poor performance of the Taiwan Solidarity Union. Despite the high profile backing of former president Lee Teng-hui, the TSU won only 13 seats. It had set out to win 30 with appeals to anti-China sentiment and a theatrical declaration by Lee that he would commit suicide if the group did not reach its target.

A 30-seat TSU faction would have enabled it to play the role of kingmaker for the DPP. Instead, a slim majority in the parliament is held by the KMT and the PFP, with 114 seats compared to the DPP's and TSU's 100. Independents and two minor parties hold the remaining 11.

A factor affecting the impact of Lee's campaign was the lessening of tensions between Washington and Beijing following the September 11 attacks on the US. In the initial months of the Bush administration, the US and China clashed over the US spy-plane incident in April and arms sales to Taiwan. Since September 11, however, the anti-China hawks in the US administration have toned down their rhetoric, temporarily at least, after Beijing backed the US-led war against Afghanistan.

The Chinese regime's response to the election was low-key. Zhang Mingqing, a spokesman for China's Taiwan Affairs Office, simply stated: "The result of the election didn't change the political structure of Taiwan." An unnamed mainland source told the *South China Morning Post* on December 4: "Pressing for reunification is not the most important issue for Beijing now." This week, China renewed its offer of talks with Chen's government, providing he accepts the "One China" principle.

The election result—a parliament virtually split down the middle between nominally pro-China and Taiwanese nationalist camps—testifies to the ongoing polarisation within the ruling class over Taiwan's future. The rivalry is also exacerbating ethnic and

regional divisions on the island.

The DPP and the TSU won most of their votes from the Hokkien-speaking "native Taiwanese"—the descendants of long-standing Chinese migrants who are the majority of the island's population, especially in the south and central counties. The KMT brutally suppressed Taiwan's existing population when the island was transferred from Japanese rule to the Republic of China at the end of World War II. Since the 1980s, after the ROC lost UN diplomatic recognition, some in the ruling circles have sought to reverse their international isolation without making any compromises to China. They have consciously sought to channel opposition to the past KMT dictatorship into calls for the establishment of a recognised Taiwanese state.

In the northern counties, where much of the island's heavy and high tech industry is located, a large proportion of people are so-called "mainlanders"—the two million Chinese and their descendants who fled to Taiwan between 1946 and 1949. Many of the "mainlanders" were members or soldiers of the KMT government that was overthrown by the Chinese Communist Party in 1949 and formed the postwar social base of the KMT regime on Taiwan. The PFP and KMT won most of their seats in these areas, as well as among the Hakka Chinese ethnic group or Taiwan's aboriginal communities. In part, this was achieved by promoting fears that the DPP would favour Hokkien-speaking areas.

A period of intense political manoeuvring has now begun between the rival factions. The PFP and KMT have rejected Chen Shui-bian's appeals for a "national stability alliance" and proscribed their legislators from cooperating with the government. The standoff can only lead to further political instability.



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