

Ruling pro-independence party suffers a blow in Taiwan election

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The ruling Democratic Progressive Party (DPP) in Taiwan suffered a serious political setback in the country's parliamentary election on December 11. Having won the presidency in 2000 and retained it in a bitterly contested election last March, the party had campaigned hard to gain a majority in the Legislative Yuan. Its expectations were, however, dashed by a poorer-than-expected outcome in Saturday's poll.

The DPP and the Taiwan Solidarity Union (TSU)—the so-called pan-green alliance—failed to make any significant gains in the 225-seat parliament. The DPP increased its share of the vote slightly by 2.3 percent to 35.7 percent and won two extra seats to bring its total to 89, but the TSU lost a seat and currently has just 12. While the DPP remains the largest party in the parliament, the pan-green coalition is still well short of a majority.

The biggest winner was the opposition Chinese Nationalist Party or Kuomintang (KMT)—the party that dominated Taiwan through a military dictatorship from 1949 until the early 1990s. The KMT won an extra 11 seats, mainly at the expense of the Peoples First Party (PFP), taking its tally to 79. While the PFP lost 12 seats and now holds just 34, the so-called pan-blue alliance—the KMT, the PFP and the tiny New Party—retains a narrow parliamentary majority of 114 seats. It can also count on the support of at least two of the independents who won seats.

The rival alliances have been locked in a bitter struggle over the future direction of Taiwan, which under the current “one-China” policy is treated internationally as part of mainland China. Beijing regards the island—to which the defeated KMT fled after the 1949 revolution—as a renegade province and has threatened military action if any attempt is made to declare formal independence.

The DPP represents sections of the ruling elite who can no longer tolerate the current ambiguous position and are seeking an independent state through which to pursue their economic and strategic interests. President Chen Shui-bian, who is the DPP leader, has been cautiously pushing toward a declaration of independence. Its ally, the TSU, promotes a more aggressive approach to a break with China, regardless of the military dangers.

The KMT, on the other hand, seeks to maintain the status quo

or to move slowly toward integration with the mainland on the basis of Beijing's “one country, two systems” offer. It is based on layers of big business that have tens of billions of dollars invested in China and regard the prospect of military conflict with horror. The PFP advocates more rapid integration with the mainland as a means of fully tapping into the lucrative business opportunities opening up.

These two opposed perspectives provoked a sharp political crisis following the March presidential election. On the eve of the poll, President Chen and his vice-presidential running mate were shot and injured. After his narrow win, opposition supporters took to the streets in large numbers declaring the assassination attempt had been staged to gain sympathy and claiming the election had been rigged. While the protests were eventually shut down, months of legal wrangling followed before Chen's election was confirmed.

Tensions were also high prior to Saturday's poll. Last Thursday explosives were founded in a Taipei train station and television channels received an anonymous threat expressing “dissatisfaction with the pro-independence forces”. The man threatened to place a bomb in Taipei's 101 tower—the capital's tallest building—in protest over the DPP's policies.

In the aftermath of the election, KMT chairman Lien Chan told the cheering crowds: “We must not make provocative moves to heighten cross-strait tensions. The two sides should shelve their political differences and work together to reopen dialogue on the basis of mutual benefits to achieve a win-win situation, and to push for economic development to upgrade the lives of the people.”

While the DPP did not lose seats, the result was nevertheless a significant blow. President Chen appoints the country's cabinet but the KMT has used the opposition's parliamentary majority to block major legislation. Without control of the Legislative Yuan, the Chen administration will continue to face obstacles to its plans, especially any move to introduce constitutional amendments formalising independence.

Prior to the election, opinion polls put the DPP-led coalition slightly ahead of the opposition. With large amounts of money behind his party's campaign, Chen confidently appealed to voters to “rewrite history”. In the wake of the defeat, the president apologised to party members, took “full

responsibility” for the outcome and stepped down as party chairman. Chen’s popularity rating has fallen to just 34 percent—the lowest level in his five years as president. The DPP’s secretary-general and two deputy secretaries-general also submitted their resignations.

The election result reflected widespread fears among voters that Chen’s pro-independence policies will provoke a war with China, and growing opposition among working people to the social impact of his administration’s economic restructuring policies.

Chen came to office in 2000 on a wave of popular hostility to the decades of corrupt and despotic KMT rule. He promised to fight for “the democratic ideals” of ordinary Taiwanese, but also committed himself to implementing a far-reaching program of market reform, including the “regeneration” of Taiwan’s debt-stricken banking system and the privatisation of the major state-owned enterprises.

While he often refers to his humble origins as the son of a farmer, Chen’s policies have had devastating consequences for broad layers of the population. His cuts to government assistance for rural credit cooperatives created financial difficulties for small farmers and eroded the DPP’s traditional support in the rural areas of southern Taiwan. In urban areas, the DPP is directly responsible for the growing hardship caused by cutbacks to public health and education. Its restructuring and privatisation measures have contributed to rising levels of unemployment.

Faced with rising economic and social dissatisfaction, Chen has increasingly relied on appeals to Taiwanese nationalism to bolster the party’s support. The latest election campaign was focused almost exclusively on issues of “national identity” and a rewriting of history to justify Taiwanese independence. While not openly calling for independence, Chen repeatedly hinted that promised constitutional change might include such a declaration. His TSU allies openly called for independence.

After a decade of steadily declining electoral support, the KMT was able to capitalise on the concerns of voters by promising to improve relations with China. Its campaign not only played on the fears of war but also held out the prospect of economic growth if the island established closer ties to China’s booming economy. At the same time, the KMT continued its traditional appeal to the descendants of those who fled the mainland in 1949 by declaring that it would maintain the island’s formal title as the “Republic of China”.

Neither party, however, can count the result as a great victory. Many voters simply did not bother to go to the polls at all, reflecting a growing alienation from the political establishment as a whole. The voter turnout reached a low of 59 percent—far less than the 80 percent for the March presidential election and the 66 percent in 2000 parliamentary election. Both the KMT and DPP lost 2 million votes each as compared to March.

The result was generally welcomed in international capitals.

While the US is committed to defending Taiwan against Chinese military attack, the Bush administration has warned Chen against taking steps toward independence that would provoke a reaction by Beijing. The US ambassador in Japan, Howard Baker, said the result was “significantly beneficial not only to China but also to Japan and the US”. Striking a similar note, Japan’s Prime Minister Junichiro Koizumi called on China and Taiwan to “discuss things peacefully”.

An editorial in Rupert Murdoch’s *Australian* summed up the sentiment when it declared “we can all breathe a sigh of relief”. Appealing for moderation on all sides, it stated: “Washington, Canberra and others should take advantage of this by encouraging Chen, as a self-interested politician and party leader, to mute his constitutional reform agenda and develop a more acceptable, bipartisan approach to cross-strait relations. At the same time, Washington, Canberra and others should encourage Beijing to drop of its policy of simply castigating President Chen and hoping that he and the DPP will fade away.”

It is unlikely that these tensions with China or within Taiwan itself will disappear. The Taipei stockmarket reacted with a fall of 32 points, reflecting fears that the conflict between the DPP and KMT will only sharpen. Prior to the election, the KMT declared that the parties that controlled a parliamentary majority should appoint the premier and the cabinet. Chen responded by warning that such a move breached the constitution and would create a constitutional crisis.

In the wake of the election, legislative speaker Wang Jin-pyng, a KMT leader, backed away from the threat. He declared on Monday that the opposition would not insist on naming the premier and would not move a non-confidence vote against Chen’s nominee for the post because it “could cause social unrest”. Taipei Mayor Ma Ying-jeou, who is likely to be the next KMT chairman, nevertheless warned that if the DPP “failed to respect the opposition’s view in the choice of a premier and the cabinet lineup, it would cause conflict.”

The KMT has been critical of the current premier Yu Shyi-kun for failing to improve Taiwan’s economic performance and insists that an “economic specialist” be appointed. In part, KMT is motivated by concerns that Chen’s economic restructuring is aimed at undermining the KMT’s vast business empire and other party assets. At stake, however, are more fundamental differences within the ruling elite about the island’s future direction that will inevitably produce further political crises.



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