Democratisation and Political Corruption in Taiwan

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Abstract:

This article examines the relationship between democratisation and political corruption in Taiwan. Has democratisation resulted in increased corruption or has it created a cleaner political system? I argue the Taiwan case reveals the potential positive effects of multi-party democracy for tackling political corruption, as opposition parties can challenge and alter accepted but corrupt norms of governance. Pillars of KMT party state such as its party assets, vote buying and the corrupt patron client relationship with local factions were until the 1990s either openly or tacitly accepted as legitimate. The Taiwanese opposition parties took a latent political issue, corruption, and progressively broadened the scope of what is publicly acknowledged as corruption. By exposing cases of KMT government corruption and establishing new norms of clean governance it is possible that in the long term opposition parties can contribute to the creation of a cleaner political system.
Democratisation and Political Corruption in Taiwan

"Corruption is frequently an integral part of the political system- a part which we ignore only at our great peril."2

1. Introduction

Since the end of the Cold War political corruption has been one of the most salient issues in democracies throughout the world. Almost no democracy has been immune from high-level corruption scandals and this has contributed to reduced public confidence in political parties and the downfall of a number of long dominant parties.3 The issue has been equally influential in many “Third Wave Democracies,” such as Taiwan. Although most political analysts claim that national identity is the most significant cleavage in Taiwanese politics, at election time political corruption issues are more visible and receive more attention in election propaganda than any other political issue.4 In fact, the Taiwanese opposition’s anti-corruption campaigns of the 1990s were a critical factor in the Kuomintang’s (KMT) fall from office after ruling Taiwan for over fifty years. This article examines the relationship between democratisation and political corruption in Taiwan during its first decade of multi-party elections. Taiwan has experienced a remarkably smooth democratic transition, with its first full multi-party parliamentary elections in 1991, the first direct presidential elections in 1996 and the first change in ruling party in 2000. Has democratisation resulted in increased corruption or has it created a cleaner political system? In many new democracies there is a widespread perception that corruption has actually worsened during the democratic transition. In fact

1 The fieldwork for this research was made possible by a scholarship from the Center For Chinese Studies, National Central Library ( ), Taipei, Taiwan.
recently a number of scholars have been critical of corruption associated with Taiwan’s electoral politics.⁵

In contrast, this paper shows the value of competitive party politics in widening the realm of what is seen as corruption, promoting anti corruption legislation and setting new norms of clean governance. Although democracy is not a panacea for political corruption, the Taiwan case offers support for Michael Johnston’s argument that “high quality, well institutionalised political competition can help reduce levels of corruption.”⁶ As with the national identity issue, party competition on the corruption issue has also been convergent.⁷ Although Taiwan’s parties began the 1990s with contrasting definitions of corruption, by the end of the decade the parties were far less polarized. Taiwan’s parties have been highly responsive to election results and public opinion on the issue. Taiwan’s opposition parties stressed the political corruption issue as a means of winning elections, expanding support levels and also by attacking KMT party assets and vote buying they hoped to create a fairer electoral playing field. The KMT increasingly viewed its corrupt image as contributing to electoral defeats and lower support rates; as a result it has grudgingly accepted many of the opposition’s anti corruption proposals.⁸ Through intensive electoral debate foundations of the KMT party state such as party assets, vote buying and its corrupt patron client relationship with local factions were first challenged and then discredited. In short, I argue that the advent of multi-party competition has contributed to making Taiwan a cleaner political system.

2. Overview.

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⁷ See Fell “Party Platform Change in Taiwan’s 1990s Elections,” 59.

⁸ Numerous KMT politicians made this point in interviews in the autumn of 2001.
Following the above introduction, section 3 outlines the framework employed to examine party change on the political corruption issue. Next I outline the development of the political corruption issue before and after the introduction of multi-party democratic elections. In section five I look in more detail at how and why the parties dealt with the key political corruption sub-issues in electoral politics. Finally in the conclusion I summarise my main findings.

3. A Framework for Analysing Political Corruption Issues in Taiwan

There is not a consensus on a simple definition of political corruption. Michael Johnston has noted that “corruption involves the abuse of public roles and resources for private benefit,” while James Scott’s definition is that corruption “involves a deviation (by public officials) from certain standards of behaviour.” However, this raises the problem of how these standards are fixed and who fixes them. Moreover, the distinctions between private and public can be blurred, especially in countries undergoing a democratic or market reform transition. The commonly employed standards for defining what constitutes political corruption are based on legal standards, public interest, or public opinion. Public interest definitions argue “if an act is harmful to the public interest, it is corrupt even if it is legal,” however, the public interest tends to be defined by the incumbent elite. In addition, definitions change over time, as Veronique Pujas and Martin Rhodes point out, “An act tolerated during a given period in a particular society may not be in another, since the values of that society will have changed.” Even within countries standards differ greatly. As the Democratic Progressive Party’s (DPP) Tian Xin (___) commented, “Cracking down on corruption has more appeal in urban areas and not much in rural areas.” In short, what actually constitutes corruption is a highly

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contested concept; standards vary cross nationally, within countries, both across party lines and over time.

Arnold Heidenheimer suggests a useful framework by distinguishing between “Black, Gray and White Corruption.”15 “Black Corruption” occurs when a “majority consensus of both elite and mass opinion would condemn and would want to see punished,” while in the case of “Gray Corruption,” “some elements, usually elites, may want to see the actions punished, others not, and the majority may well be ambiguous.” Finally in the case of “White Corruption”, “the majority of elite and mass opinion probably would not vigorously support an attempt to punish a form of corruption that they regard as tolerable.”16

To circumvent definitional problems I have operationalised a framework that takes into account Taiwan’s fluid and ever expanding definitions of political corruption. This is outlined below in Table 1, which places the main sub-issues into either static categories of “White, Grey or Black Corruption,” or those that have over the last decade moved from “White-Grey, White-Grey-Black or Grey to Black Corruption.” Pillars of KMT party state such as its party assets, vote buying and the corrupt patron client relationship with local factions were until the 1990s either openly or tacitly accepted as legitimate or “White Corruption.” The Taiwanese opposition parties took a latent political issue, corruption, and progressively broadened the scope of what is publicly acknowledged as “Black Corruption.” Under the opposition’s relentless anti-corruption attacks, the KMT has been forced to change its positions, for instance promising to give up its business empire.

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub-issue</th>
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<tbody>
<tr>
<td>White</td>
<td>1. Election Banquets (___)</td>
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<td>Grey</td>
<td>2. Government Business Collusion (___)</td>
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<td>Black</td>
<td>3. White Gold (___)</td>
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<td>White-Grey</td>
<td>4. Factional Candidates (_____ )</td>
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<td>5. Grassroots Elections (___)</td>
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<td>6. Golden Oxen (___)</td>
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<td>7. Xingpiao case (___)</td>
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<td>8. Link between corruption and former president Li Denghui.</td>
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<tr>
<td>White-Grey-Black</td>
<td>1. Party Assets (___)</td>
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<td>2. Vote Buying (___)</td>
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<td>3. Municipal Executive Corruption (_____ )</td>
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<td>4. Land Speculation (___)</td>
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<td>5. Corruption of high level central government officials (_________ )</td>
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<td>6. Corruption involving national construction projects.</td>
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<td>Grey-Black</td>
<td>1. “Black Gold”/ Gangster influence on politics (<em><strong>/</strong></em>)</td>
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Note 1: This table places the corruption sub-issues into categories according to how mainstream norms have changed over the 1990s. The fact that almost all sub-issues have made the transition to either grey or black corruption reveals the pace that perceptions of corruption have changed over the decade.

Note 2: The judgment over which category to place each sub-issue is based on the author’s interviews and reading of campaign reviews.
4. The Development of the Political Corruption Issue in Taiwan

I divide the development of the political corruption issue into three periods: a latent phase, a brief issue initiation period, and the phase of issue development and entrance. During the first phase many of the sub-issues that are listed in Table I already existed but came under the category of “White Corruption,” in that they were accepted components of Taiwan’s social and political system. The issue initiation phase begins soon after the first full democratic elections in the early 1990s. In this stage the opposition parties placed the latent issue of money politics on the election agenda. Next in the issue development and entrance phase the actual parameters of what constitutes “Grey” or “Black Corruption” continued to expand, and the issue moved on to the formal agenda for government or ruling party action.


KMT corruption was a central Taiwanese grievance leading up to the 1947, February 28 Incident; however, following the KMT’s crackdown political dissent was silenced. Throughout the Martial Law era the main demands of the domestic opposition movement were democratisation and ethnic justice, rather than corruption. Taiwan’s “White Corruption” in this period resembled how Jean Blondel described the informal system that existed in Belgium, Austria and Italy, “patronage had existed for so long and had become so much part of political and social life that it seemed to have been not just accepted, but even viewed as normal.” Two significant examples of what has retrospectively become defined as KMT corruption were the relationship between the KMT and local factions, and KMT party assets.

When the KMT regime arrived in Taiwan it needed grassroots support for local elections, therefore it established a patron client alliance with the local factions that remained intact and unchallenged until democratisation. Whereas in Italy patronage was divided among

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19 For details of the KMT local faction alliance see Chen Mingtong, “Local Factions and Taiwan’s Democratization,” in Tien Hung-mao (ed.) *Taiwan’s Electoral Politics and Democratic Transition: Riding*
the leading political parties, in Taiwan the beneficiaries were local KMT factions. Under this form of institutionalised corruption the KMT was prepared to tolerate corruption at the local level, while Taiwan’s central government and bureaucracy maintained a reputation of being relatively clean.

During the KMT’s five decades in power it took advantage of its dominant position to accumulate a vast real estate and business empire, and set up monopolies for its own companies, making it the fifth biggest business syndicate in Taiwan and richest political party in the world. The existence of the KMT’s alliance with local factions and its party assets reflect the weakness of using legal standards to define political corruption in an authoritarian context, as the KMT was able to design the legal framework that legitimised ruling party corruption. According to the KMT’s former chairman Li Denghui (___), “Before (democratisation) the KMT was even more dark and corrupt.”

Initially the arrival of competitive party politics did not threaten political corruption. According to Christian Gobel, “Democratisation did not eliminate the clientelistic networks, but fostered their growth and diversification.” As democratic competition became more intense and the KMT became more Taiwanised, the power of corrupt local factions and conglomerates moved up to the national level, leading to increased vote buying, gangster-party links and party-consortium collusion. Ramon Myers summed up this view, stating, “President Chiang had set a tone of severity throughout the government and provincial bureaucracy for not tolerating political corruption. But under various Lee administrations, a laxness in such behaviour became persuasive. The constraints that limited corruption in the past greatly eased.” The fact that both big business and local factions began to gain political influence through the Legislative Yuan is evident from the high proportion of business and factional candidates representing the KMT in elections.

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22 Li Denghui, interview by author, Taipei, October 17, 2001.
24 Myers, Chao and Kuo, “Consolidating Democracy in the Republic of China on Taiwan.”
The movement of corruption from local to national level politics created a window of opportunity for politicians to manipulate this issue into a critical cleavage. However, while the opposition did make some anti corruption appeals in the 1980s, as late as 1991 it was not yet a central electoral issue.

4.2 Issue Initiation Phase: 1992-3

In this phase the DPP initiated a latent issue, made specific anti corruption demands and expanded the issue firmly on to the public agenda in repeated election campaigns. At this point the ruling KMT and opposition parties had quite contrasting views on what constituted corruption. The KMT viewed party assets and its patron client relationship with local factions and big business as integral components of the ROC political system. In addition, it was prepared to turn a blind eye to gangster involvement in politics, vote buying and local level corruption. For most of the general public these phenomenon fell into the category of “White Corruption,” as “the majority of elite and mass opinion probably would not vigorously support an attempt to punish a form of corruption that they regard as tolerable.” In contrast, the DPP began to challenge the old system of institutionalised corruption, framing this system as “Black Corruption.”

The DPP first made political corruption a central issue in the 1992 Legislative Yuan elections. This election set a precedent that was followed for almost all subsequent elections of employing anti-corruption attacks to discredit the KMT. In this campaign key anti corruption sub-issues employed by the DPP were attacks on KMT vote buying,

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27 Fell, “Party Platform Change in Taiwan’s 1990s Elections,” Table 4.
29 The degree the issue agenda changed in the 1990s can be seen from Liu Tsung-wei’s finding that though political corruption was a top ten issue for the DPP in all three legislative elections in the 1990s, it was absent in 1989. Liu Tsung-wei, “The Transition of the Democratic Progressive Party,” paper presented at the North American Taiwan Studies Association Conference, Harvard University, June 2000, Table 8.
involvement in land speculation and nomination of wealthy and corrupt politicians, a group known as “Golden Oxen” (__). For instance, one DPP TV ad changed the KMT’s slogan of “Reform, More Reform, Confidence in Prosperity” (____,____) to “Reform and More Reform, Golden Oxen have Confidence in Prosperity.” (______,____) After the election it was felt that the new issue had been very effective, as Chen Shouguo (___) of the China Times commented, “This election can be viewed as a battle between vote buying and anti vote buying, money politics and anti money politics. The results show that the power of anti money politics was victorious.”

In fact the DPP’s initiation of the political corruption issue in 1992 was closely related to the party’s electoral fortunes. After 1991’s National Assembly setback most DPP leaders agreed that there was a danger of over reliance on Taiwan independence and that in order to mould a new party image the party needed to expand its issue emphasis into questions such as political corruption and social welfare. The party leaders felt that both 1992 and 1993’s anti-corruption campaigns had made real inroads into KMT support. As the DPP Legislator Shen Fuxiong (___) commented, “The Black Gold issue, it works.”

4.3 Issue Development and Entrance Phase: 1993-Present
The opposition’s anti corruption campaigns were so effective that by the mid 1990s the concept of political corruption had become closely connected in the public imagination to the KMT. The volume of anti corruption campaigning was further increased by the arrival on the scene of the New Party (NP __) in 1993, which also made political corruption one of its top electoral issues until 1998. By creating a new set of norms on aspects of the corruption issue, the opposition continued to expand the parameters of corruption, as more sub-issues became viewed as either “Grey” or “Black Corruption.” The issue moved from the public to the formal government agenda as the KMT was forced to respond, first half-heartedly but later more radically on issues such as party assets,

31 This point was made by numerous DPP politicians in interviews conducted in the autumn of 2001.
33 Fell, “‘Party Platform Change in Taiwan’s 1990s Elections,’” Table 2.
nominating “black gold” candidates and vote buying. For instance, at the 1996 National Development Conference (___) for the first time the KMT agreed to reform its party assets and abolish the corrupt village and township head elections. In short, electoral pressure and debate had moved public and KMT views on corruption closer to the opposition’s.

The success of the NP and DPP anti-corruption campaigns of the 1990s are shown in both elite and mass survey data. In a 2001 survey of 66 experienced Taiwanese politicians I found that politicians ranked money politics the second most influential issue of the decade (1991-2001).\(^{34}\) Numerous mass surveys show that while the KMT was increasingly seen as a corrupt party, the NP and DPP were seen as attacking corruption and clean. Firstly, a series of Lianhebao (United Daily News ____ ) surveys showed that the percentage of respondents seeing the KMT as clean dropped from 37% in 1992 to 25% in 1996, against a corresponding rise for the DPP from 26% to 41%. The percentage of respondents seeing the KMT as corrupt rose from 28% in 1992 to 45% in 1996, against a corresponding fall for the DPP from 29% to 22%.\(^{35}\) The National Chengchi University’s Election Study Center (___________) surveys asking voters for their first impressions of political parties also showed that while in the early 1990s none of the parties were primarily associated with corruption, by the mid 1990s the corrupt image of the KMT had sunk into the public imagination.\(^{36}\) For example, in 1995 6.8% saw the KMT as corrupt and 4.1% saw the KMT as having gangster links as their first impressions. While in 1998 5.3% saw the KMT as corrupt, 3% saw it as having gangster links and 8% said the KMT had links to money politics as their first impression of the party. In contrast, the numbers citing the DPP and NP as corrupt were negligible. The DPP Survey Research Department carried out the final revealing surveys in the late 1990s.\(^{37}\) In response to the question why do you dislike the KMT, by far the most

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\(^{34}\) See Dafydd Fell, “Party Change and the Democratic Evolution of Taiwan,” PhD dissertation, University of London, 2003, Table 2.2.


\(^{36}\) Election Study Center Dataset, supplied by Dr. Liu Yizhou (___).

common reply in all three surveys was because the KMT was corrupt. In contrast, to the question of why do you like a party, the fact that the DPP was clean came second and that the NP was clean came first in all three surveys respectively.

5. Political Corruption Sub-issues

In this section I examine the development of a number of the key political corruption sub-issues to show how electoral factors can explain the main parties’ convergence on these sub-issues. At the beginning of the decade the KMT and public view these phenomenon as acceptable “White Corruption,” while they were condemned by the opposition as “Black Corruption.” However, as a result of a decade of electoral debate there has been a rapid changing of norms regarding corruption, resulting in both the public and KMT embracing the DPP’s definitions of corruption.

Vote Buying

Taiwan has a long history of vote buying. Indeed throughout the Martial Law era the practise was also very common.\(^{38}\) Even as late as 1991 vote buying remained a tacitly accepted phenomenon or “White Corruption.” It was not until the early 1990s campaigns that the DPP gave the question serious attention and norms on vote buying began to shift significantly. The two critical factors prompting the DPP to initiate the vote buying sub-issue was that it could use these accusations to discredit the KMT among middle class voters, but also by reducing the effectiveness of KMT vote buying it could contribute to fairer party competition.

In the DPP’s early years though it often complained of KMT vote buying, it was not until 1992-1993 that it made anti vote buying attacks a central election issue. The regular pattern has been that the DPP uses vote buying accusation to discredit the KMT, while the KMT is either silent on the issue or denies it buys votes. For instance, at a 1992 press conference the DPP announced the KMT’s market rates for buying votes in the various

\(^{38}\) As a veteran KMT politician explained about Taipei City Council elections in the 1970s, “Of course vote buying was common, but each constituency elected ten councillors and in each constituency about three people didn’t need to buy votes.” Interview by author, Nantou, October 8, 2001.
constituencies. Likewise, a DPP newspaper ad quoted KMT’s Guo Jinsheng (___) as saying, “KMT candidates will buy votes. If the KMT does not buy votes, the turnout will not be so high.”(__________,__________,__________). In the subsequent Municipal Executive and Provincial Governor elections the DPP continued to reinforce the image of KMT vote buying. For example, a 1993 DPP ad, which was repeated on the front page of the Lianhebao for seven days, consisted of just one slogan, “The KMT has a past record of vote buying and vote rigging. Yesterday it was crooked, today it is vote buying and in the future it will be corrupt.”(____,____,____,____,____,____) In 1994 the most controversial anti vote buying DPP ad had the slogan “A pig’s heart 500 dollars, how much for a human heart?” (____,____,____?) According to the ad, “The DPP campaigns 365 days a year, but the KMT only campaigns for two weeks. Fourteen days before the vote the KMT begins to madly buy votes everywhere.”(____365____,_____________________,____14____,___________________,____) Similarly a full-page DPP ad outlined the KMT’s long history of vote buying in Taiwan, and called on voters to “reject the KMT that has used money to enslave to Taiwanese people.”(___________________!). The effectiveness of the DPP’s campaigns was clear, as by the mid 1990s public and party perceptions of corruption had visibly changed. Vote buying had reached the issue development and entrance stage, as the issue reached the government’s agenda. In March 1994 following local assembly speaker elections, the Ministry of Justice conducted its largest ever crackdown on vote buying. The scale is evident from the fact that vote-buying investigations were carried out in 22 out of Taiwan’s 23 counties and cities, and

40 Ziyoushibao, December 18, 1992, 28.
41 Lianhebao, November 21-26, 1993, 1.
42 Ziyoushibao, November 28, 1994, 1.
43 China Times, November 28, 1994, 12.
over 332 councillors were indicted.\textsuperscript{44} In fact, according to the then Minister of Justice Ma Yingjiu (___) the conviction rate for these cases was as high as 82%.\textsuperscript{45}

In the elections since the mid 1990s the DPP continued its anti vote-buying message, often adopting a satirical tone. For instance, a 1995 DPP newspaper ad carried the slogan, “Raise your hand if you believe the KMT will deal with vote buying.” (_____________.!)\textsuperscript{46} Similarly, in 1998 the DPP “Aqiao and Apao Black Gold TV ad” (___, ___) the two comedy characters do a mock interview with a gangster KMT legislator, who is very sensitive to questions related to corruption and vote buying. After ten years of DPP anti-vote buying attacks, the sub-issue is still exclusively associated with the KMT. As the DPP’s Chen Zhongxin (___) noted, “It is possible that some people in the KMT don’t buy votes, but if you say the KMT doesn’t buy votes few will believe you. The common image is that the KMT buys votes.”\textsuperscript{47}

By the end of the 1990s the scope of what is seen as vote buying had widened as a result of campaigns. In the past it was normal practice for the KMT to mobilize civil servants to attend KMT rallies, offering the incentives of “travel expenses” (___). However, by 2000 the climate had changed, with the practice seen as a form of vote buying. The KMT was discredited by allegations of pressurizing and paying civil servants to join KMT rallies.\textsuperscript{48}

At the beginning of the twenty first century there is a wide consensus that vote buying has declined in effectiveness. As the former KMT Secretary General Xu Shuide (___) explained, “Before vote buying worked. Scarves or other things. Now hundreds of dollars, people don’t care.”\textsuperscript{49} A common tactic in undermining vote buying has been for the DPP to encourage voters to take KMT bribes but to vote for other candidates. As

\textsuperscript{46} Ziyoushibao, December 1, 1995, 1.
\textsuperscript{47} Chen Zhongxin, interview by author, Taipei, October 23, 2001.
\textsuperscript{48} China Times, March 11, 2000, 3.
\textsuperscript{49} Xu Shuide, interview by author, Taipei, October 11, 2001.
Chen Shuibian (___) told his audience in a 2000 election rally, “It’s close to the voting day and the KMT has already begun its money attacks, trying to exchange cash for votes. Take the money but vote as you wished. For the dignity of the Taiwanese people vote Chen Shuibian, otherwise if an embezzler or golden ox became president it would be an international joke.”\footnote{China Times, March 8, 2000, 2.}

Another factor hitting the effectiveness of vote buying has been reduced stigma of actually reporting vote-buying cases to the investigating authorities. Reporting has been encouraged by generous rewards if vote buying cases reach the level of indictments.\footnote{The Central Election Commission offers rewards of up to NT$500,000 for information leading to vote buying convictions. See http://taiwansecurity.org/NYT/NYT-031200.htm}

In fact since the mid 1990s both DPP and civic organizations have formed vote buyer catching teams, and by the late 1990s even the KMT has been forced to follow suit.\footnote{See http://forums.chinatimes.com.tw/report/corrupt/htm/spit/news/90111402.htm}

Since the change in ruling party in 2000 the prevalence and effectiveness of vote buying has declined and anti vote buying measures have become even tougher. In the first post turnover election of 2001 the DPP’s Minister of Justice Chen Dingnan (___) took a very tough line declaring any elections gifts of a value greater than 6NT dollars constituted vote buying. DPP legislator Tang Jinquan (___) reflected this sentiment when he stated, “We can use our position as the ruling party to hit at political corruption. So we hope that Chen Dingnan can make a contribution to catching vote buying.”\footnote{Tang Jinquan, interview by author, Gaoxiong, August 24, 2001.}

In fact Taiwan’s most high profile case came in 2002 when 31 Gaoxiong city councillors were investigated for vote buying in the council speaker election.\footnote{www.taipeitimes.com/news/front/archives/2002/12/28/188861/print}

In short, DPP attacks have widened the scope of what is seen as vote buying, reduced the efficiency of vote buying and contributed to making this formally tolerated practice into “Black Corruption.”

**Central Government Corruption**

It is widely claimed that endemic corruption moved up from local democracy to national...
politics in the late 1980s. It is also possible that levels of corruption remained constant before and after democratisation, but what changed was that only after the media’s liberalization have such scandals been openly reported. Although the central level government had a reputation for being clean, where favoured KMT politicians were involved the party was prepared to turn a blind eye.

It was only in the early 1990s that the DPP began to seriously challenge the integrity of the central government. For example, in a 1992 DPP TV ad comedian Kuling (__) attacked the corruption associated with the Taipei metro project and the Six Year Development Plan. In 1993 the DPP continued this theme, using animals to symbolize KMT corruption. A series of ads exposed embezzlement by high-level KMT government officials, with the KMT represented by an octopus grabbing cash, golf courses and buildings,\(^5\) and as a rat stashing gold under the ground.\(^6\) The NP also joined the fray, and in a 1993 TV debate its founding member Zhao Shaokang (___) offered this sound bite, “If voters can accept the current state of contract corruption, then they should vote KMT and in the future would have no right to complain.”\(^7\)

The salience of the Taipei metro scandal reached its peak in 1994. The DPP had a series of ads with pictures of derailed or burnt out Taipei metro cars with the slogan, “A derailed metro, a corrupt metro.” (____, ____).\(^8\) In Taiwan’s first live televised candidate debate both the DPP’s Chen Shuibian and the NP’s Zhao Shaokang were scathing in their criticisms over the project’s corruption. KMT Huang Dazhou’s (___) feeble response was “As to which previous mayor caused the present problems, I am not at liberty to say, you think about it yourself.”

In 2000’s presidential election the KMT’s Lian Zhan made many election promises on how to deal with corruption, giving the DPP ample ammunition to attack his failed anti-corruption pledges. A typical example was a full-page DPP ad with the picture of a guava,

\(^{55}\) *China Times*, November 15, 1993, 13.
\(^{56}\) *China Times*, November 19, 1993, 13.
\(^{57}\) *China Times*, November 2, 1993, 3.
\(^{58}\) *Lianhebao*, November 22, 1994, 1.
which in Taiwan symbolizes an empty promise. It claimed, “Lian Zhan has sworn eight times to sweep away corruption, but during his time as premier there were 55 major corruption cases, which accounted for up to NT$14.2 billion in procurement corruption.”(____8_______,________55_____, _______142__).59

Once again these opposition campaigns have clearly had a significant impact on public perceptions of corruption and forced the ruling KMT to respond. For instance, the 1993 Mandatory Disclosure and Mandatory Trust Clauses of the Financial Disclosure Bill forced senior government officials to declare their financial assets.60 Similarly, anti corruption measures in government construction schemes have been tightened considerably. Therefore we can contrast the endless corruption scandals over the Taipei metro in the early-mid 1990s with the relative absence of scandals since linked to the later stages of the Taipei metro project, the Gaoxiong metro and the High Speed Rail project. As the KMT was the ruling party until 2000, it is not surprising that the DPP and NP dominated accusations of corruption over government construction contracts. However, in the first two elections under DPP rule it has yet to face similar accusations.

**Local Level Corruption and Gangster Politics**

Local executives with their considerable power over issuing construction contracts and various business licenses were long a key player in the KMT-local faction patron client relationship. A major component of local level corruption has been the involvement of gangsters in politics, a phenomenon known as “black gold.” The scale of mafia political influence has been especially strong in rural counties, such as Pingdong (__) and Yunlin (__). For instance Zhao Yongmao (____) estimates 40% of Yunlin’s county councillors have organized crime backgrounds.61 Since the KMT was so reliant on local factions at the grassroots level it had long overlooked corruption at this level. Moreover, as such corruption had existed for so long, it had been tacitly accepted by the general

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59 Ziyoushibao, February 16, 2000, 11.
61 Zhao Yung-mao (____) *Change and Characteristics of Taiwan’s Local Politics,* (____________) (Taipei: Hanlu, 1997), 284.
public as no worse than “White Corruption.” In contrast, raising the issue has been critical for the DPP in creating a level playing field in local politics, but also the black gold issue has been perhaps the DPP’s most successful electoral issue over the 1990s and a critical issue in its rise to the ruling party status.

The DPP first placed the local corruption issue on the centre of the electoral agenda in the executive elections of 1993 and 1994. A number of DPP ads accusing the KMT of involvement in land speculation. For instance, a DPP newspaper ad showed the picture of a monopoly board and the slogan, “The DPP loves Taiwan, while the KMT loves land speculation.” (______, ________)62 In addition to accusing their opponents of corruption, candidates also often explain their experience or plans for rooting out corruption. For instance a 1993 DPP newspaper ad showed a table comparing the anti corruption work of DPP Municipal Executives with the KMT record of land speculation.63 Similarly, a 1994 Chen Dingnan ad showed a picture of Chen and Singapore’s Lee Kuan Yew, with the slogan “Choosing Chen Dingnan equals Lee Kuan Yew becoming Provincial Governor,”(______, ________) noting how while Yilan (__) Municipal Executive Chen had followed Li Kuan Yew’s model of sweeping away corruption and special privileges.64

The DPP has also increasingly given heavy emphasis to the KMT’s gangster links in its campaigns. For instance, in 1993 DPP Taipei County Executive You Qing (__) issued an ad outlining KMT Cai Shengbang’s (__) long relationship with the San Chong Gang (__). This showed Cai as a puppet, holding a bottle of Sanchong brand milk and having his strings pulled by a salivating gangster.65 Since the mid 1990s a series of scandals gave the DPP ample scope to accuse the KMT of gangster links. In the 1995 “Black Gold” TV ad 1 (__1) a mother told how her son was killed by KMT Pingdong County Assembly Speaker Zheng Taiji(__), then it showed her crying over her dead son, and the picture of the KMT murderer. In “Black Gold” TV ad 2 (__2)
DPP Legislator Cai Shiyuan (___) talks of how powerful gangster politicians have become, and how he was kidnapped and beaten by a gangster KMT legislator. The conclusion shows a bullet-ridden car in Pingdong and the message is that the only way to defeat “black gold” is by voting.

Two years later in 1997 the DPP continued this offensive focusing on corruption charges against KMT Pingdong Municipal Executive Wu Zeyuan (___) and the Zheng Taiji’s life sentence for murder. In the DPP’s “Prison TV ad” (___), to the sound of clinking chains and keys the camera went through dark prison gates, listing the corruption cases of KMT politicians sentenced or under investigation. The ad ended with the slogan, “For each vote for the KMT we may have another corrupt Municipal Executive” (______, _________) In the “Spokesman TV Ad” (___), a KMT spokesman tries to explain away KMT corruption cases, but with clips of KMT members being arrested on corruption and murder charges, the spokesman collapsed and was carried off on a stretcher. With two of the most serious corruption cases being in Pingdong, it was felt in the county KMT HQ that the repeated broadcast of these ads had a major impact on the party’s defeat in 1997.66

In the 2000 presidential campaign the most consistent DPP corruption theme was the link between the KMT and a number of allegedly “black gold” politicians and the idea that only a change in ruling parties could defeat “black gold.” In the campaign Chen Shuibian gave far more attention to the “black gold” than the other candidates. Chen’s quote from the first TV debate echoes the DPP’s tone since the mid 1990s: “According to surveys about 70% of the people think that under KMT rule the “black gold” question is getting worse. From grassroots financial institutions to big public construction projects, from the insider trading on the stock exchange to corruption in military purchase cases the KMT has relied on a system of corruption that reaches all levels of our country. Since the end of martial law the KMT has relied on gangsters and money politics to maintain its power. So hoping for the KMT to tackle “black gold” is like dying charcoal white, it is

impossible. Only if Abian is elected can the danger of “black gold” be dealt with.

In the 2000 campaign the DPP repeatedly made the link between the KMT and allegedly infamous gangster politicians. These were Wu Zeyuan, the former KMT Pingdong ME, Luo Fuzhu (___), the independent legislator from Taipei County, and Yan Qingbiao (___), the Taizhong County Council Assembly speaker (___). On the eve of the election full-page DPP ads showed the contrasting pictures of Chen with Academia Sinica President and Nobel prize winner Li Yuanzhe (___), Lian Zhan with Wu and Luo, and Song Chuyu with Yan, and simply asked, “Who are you going to trust Taiwan’s future with?” (______________)?

The accusation that the KMT has nominated gangster-linked politicians has repeatedly damaged the KMT in elections. The KMT’s setback of 1997 when for the first time the DPP gained a larger vote share than the KMT and won the majority of ME seats pushed the KMT to begin to take the black gold image seriously. As a former KMT Propaganda Chief explained, “Before we looked at electoral defeats, and saw the KMT had to recover from defeat by removing political corruption and becoming a democratic party.” In fact in 2000 Lian Zhan made a number of proposals to tackle gangster politics. Lian’s anti corruption pledges were compiled into the TV ad “Lian Zhan’s Proposals” (_____), in which Lian declared “all out war on Black Gold” (______). However, it was not until its disastrous defeat in 2000 that the KMT took serious measures to avoid nominating candidates with corrupt reputations. In 2001 the KMT tried more radical nomination reforms aimed at improving the party’s image. The drafter of the new regulations, Ding Shouzhong (___), summed up their key principles, “Anyone that has been convicted of a criminal offence or breaking the Election and Recall Law, even if they have only been through the first trial, cannot be nominated.” This meant

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67 *China Times*, February 21, 2000, 2.  
68 *Ziyoushi bao*, March 15, 2000, 16.  
70 However it is doubtful how convincing this was to Taiwanese voters, as when he was making this declaration at his side his wife is seen looking bored and picking her nose.  
71 Ding Shouzhong, interview by author, Taipei, September 27, 2001.
that a number of infamous and long serving KMT politicians either did not stand for election or stood as independents.

Since becoming the ruling party the DPP has continued to attack the KMT’s links with local corruption. According to sociologist Wang Fuchang (___), “The new ruling party wants to cut the links between the KMT and ‘black gold.’ The reorganization of local financial organizations and investigation into bank’s political over lending. This is one matter that the new government has made the most effort.” 72 Since 2000 the Minister of Justice Chen Dingnan’s anti black gold measures have made him the most popular member of the cabinet. Numerous infamous local politicians have been indicted during the last four years including Luo Fuzhu, Yan Qingbiao, Xiao Dengshi (___) and Chu An-xiong. 73

In fact since 2000 all three leading parties have attempted to keep their distance from local politicians with corrupt reputations. For instance, in 2001 when Tainan City (___) DPP ME was involved in a corruption case, the DPP was quick to abandon him and nominate an alternative candidate. Similarly, when Song Chuyu formed the People’s First Party (___), Yan Qingbiao was not allowed to join. Although Yan had campaigned hard for Song in the 2000 presidential contest, it was feared that his corrupt reputation would damage the new party’s image.

**Party Assets**

The KMT’s party assets were long an accepted component of the KMT party state, and it was not until the 1990s election campaigns that the legitimacy of its vast business empire was challenged. Again the DPP equated party assets with political corruption to create a more level electoral playing field and discredit the KMT. After a decade of campaigns electoral pressure has forced the KMT to reform its party assets.

The DPP began to give this question attention in 1992, when a full page newspaper ad

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73 [www.etaiwanesenews.com/Taiwan/2004/01/13/1073959580.htm](http://www.etaiwanesenews.com/Taiwan/2004/01/13/1073959580.htm)
showed a cheerful looking Chiang Kai-shek on a NT$1000 note and asked, “Is the KMT a political party or a consortium?” (_________) The first year that the DPP made KMT assets central campaign issues was 1995. At a press conference on November 4, 1995, the DPP’s Huang Huangxiong (___) announced the formation of the “All Peoples’ Alliance for the Return of Party Assets,” (________) claiming that KMT assets amounted to NT$150 billion. Four days later Huang and DPP Chairman Shi Mingde (___) led a protest outside the Legislative Yuan demanding the KMT reveal its true assets, freeze its assets, explain the seven suspicious land acquisition cases and return the illegally seized assets to the people. The DPP followed this up with the Party Asset TV ad (___) and two newspaper ads giving details of the seven cases and attacking the way KMT used its ruling status to increase its property and wealth. However, though the DPP described the party assets as illegal in 1995, this was still disputed by the KMT, which insisted that all its assets were obtained legally.

By 2000 the political climate had changed, as the DPP had won the argument on the need to end party involvement in profit making enterprises. At the 1996 National Development Conference (___) the KMT first promised to reform its assets, and at a rally on 2 January, 2000 Lian Zhan went further by promising to “end political parties’ involvement in profit making business, place KMT assets in a trust and eradicate black gold.” However, Lian’s inability to match words with deeds allowed a DPP newspaper ad to ask “Mr Lian Zhan, please pay attention, there are only seven days left before you fail to deliver on your promise of placing the party assets in a trust.” (__________________7_!) A DPP TV ad also mocked Lian’s assets pledges. First it showed Lian making his assets promise with KMT assets chief Liu Taiying (___) at his side, then it showed Liu at a press conference making totally contradictory statements, opposing putting KMT assets in a trust.

74 Ziyoushibao, November 28, 1992, 6.
75 China Times, November 5, 1995, 2.
76 China Times, November 9, 1995, 42.
77 Ziyoushibao, November 13, 1995, 12.
78 China Times, November 5, 1995, 2.
79 Chao and Myers, “Promoting Effective Democracy, Chinese Style,” 669-682.
80 www.taipeitimes.com/news/2000/01/02/0000018073
81 Lianhebao, March 11, 2000, 1.
Following the change in ruling parties, the Control Yuan carried out a thorough investigation of KMT assets and has called for Taiwan to follow the “East German model” of nationalizing the former authoritarian party’s assets. The DPP is still continuing to raise the issue of party assets at election time. For instance, in the run up to the December 2002 mayoral elections the Executive Yuan drew up a Political Party Law which would ban political parties from operating or owning any profit making businesses. However, once again the KMT has expressed its opposition. Moreover, in the 2004 presidential elections the DPP’s accusations that the KMT illegally obtained its party assets have again put the KMT on the defensive. As a result of DPP pressure the KMT has for the first time offered to return some of its property assets to the state.

In short, the party assets sub-issue is an example of how multi-party electoral debate has promoted a rapid change in norms in Taiwan, what was still accepted as perfectly legitimate until the mid 1990s has become “Black Corruption” today.

6. Conclusion
This article examined the relationship between democratisation and political corruption in Taiwan. The Taiwan case reveals the potential positive effects of multi-party democracy for tackling political corruption, as opposition parties can challenge and alter accepted but corrupt norms of governance. Although PRC figures regularly condemn the vote buying of Taiwan’s elections, the PRC has also suffered from rising corruption in its two decades of market economic reforms, and this was one of the central grievances of the Tiananmen (___) protestors in 1989. However, while Taiwan has had opposition parties since 1986, there has been no legitimate avenue for China’s citizens to challenge corruption associated with the CCP. Although democracy is not a universal remedy for political corruption, the Taiwan case offers support for Michael Johnston’s argument that, “high quality, well institutionalised political competition can help reduce levels of...
Pillars of the KMT party state such as its party assets, vote buying and the corrupt patron client relationship with local factions were until the 1990s either openly or tacitly accepted as legitimate. The DPP has taken a latent political issue, corruption, and progressively broadened the scope of what is publicly acknowledged as corruption. Under the opposition’s relentless anti-corruption attacks, the KMT has been forced to change its positions, for instance promising to give up its business empire. By exposing cases of KMT government corruption and establishing new norms of clean governance it is possible that in the long term opposition parties can contribute to the creation of a cleaner political system.

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