

**THE CORRUPTION BLIGHT IN TAIWAN UNDER
DEMOCRATIC PROGRESSIVE PARTY RULE**

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Executive Summary

Taiwan's ruling Democratic Progressive Party (DPP) came to power in 2000 in large measure riding an anti-corruption platform aimed at the ruling Nationalist Party or Kuomintang (KMT). The DPP claimed to be "poor and clean."

During the campaign, DPP leaders, including Chen Shui-bian, painted the KMT as a party tainted by "black gold" (meaning an unholy link between money and criminal elements in politics).

The DPP, however, soon became more corrupt than the KMT. This happened, according to opinion polls, sometime between midway in President Chen's first term and his reelection in 2004.

Chen administration's corruption discredited his party. This had a negative impact on the DPP's performance in elections beginning in late 2004.

Chen was able to overcome this to a considerable extent by playing the ethnic card and by provoking tension with China.

Chen's corruption precipitated a mass protest movement launched in 2006 by one of the party's former chairmen and a party hero, Shih Ming-teh. A large majority of citizens supported Shih and wanted Chen to resign.

Twice in 2006, the legislature tried to remove Chen from office. But the DPP continued to support him; thus the efforts failed even though more than half of the legislators voted for a recall.

Ironically, both the United States and China did not favor Chen's resignation. The reason: Vice President Annette Lu, a stronger advocate of Taiwan independence than Chen and potentially a worse troublemaker, would replace him.

The corruption issue, though, continued to sully President Chen's reputation. It will likely affect his legacy.

Public opinion polls show that corruption has negatively impacted politics, the economy, public trust in government, and much more in Taiwan.

Corruption will likely affect the DPP's future, including its performance in coming elections—a legislation election in January 2008 and a presidential election in March 2008.

DPP leaders know they must distance themselves from President Chen and garner a clean image.

Corruption in Taiwan, however, will not likely get out of control. The bureaucracy is generally corruption free, the opposition parties oppose corruption, the press remains generally free and independent, and the judiciary has become more independent.

Taiwan's economy has been affected negatively. But political corruption has not evolved into a patronage economy. The economy's fundamentals are good and healthy growth can be restored.

Political corruption in Taiwan has not become societal corruption. The public's revulsion of the sleaze in the Chen administration suggests this will not happen.