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Taiwan and Mainland China's Democratic Future

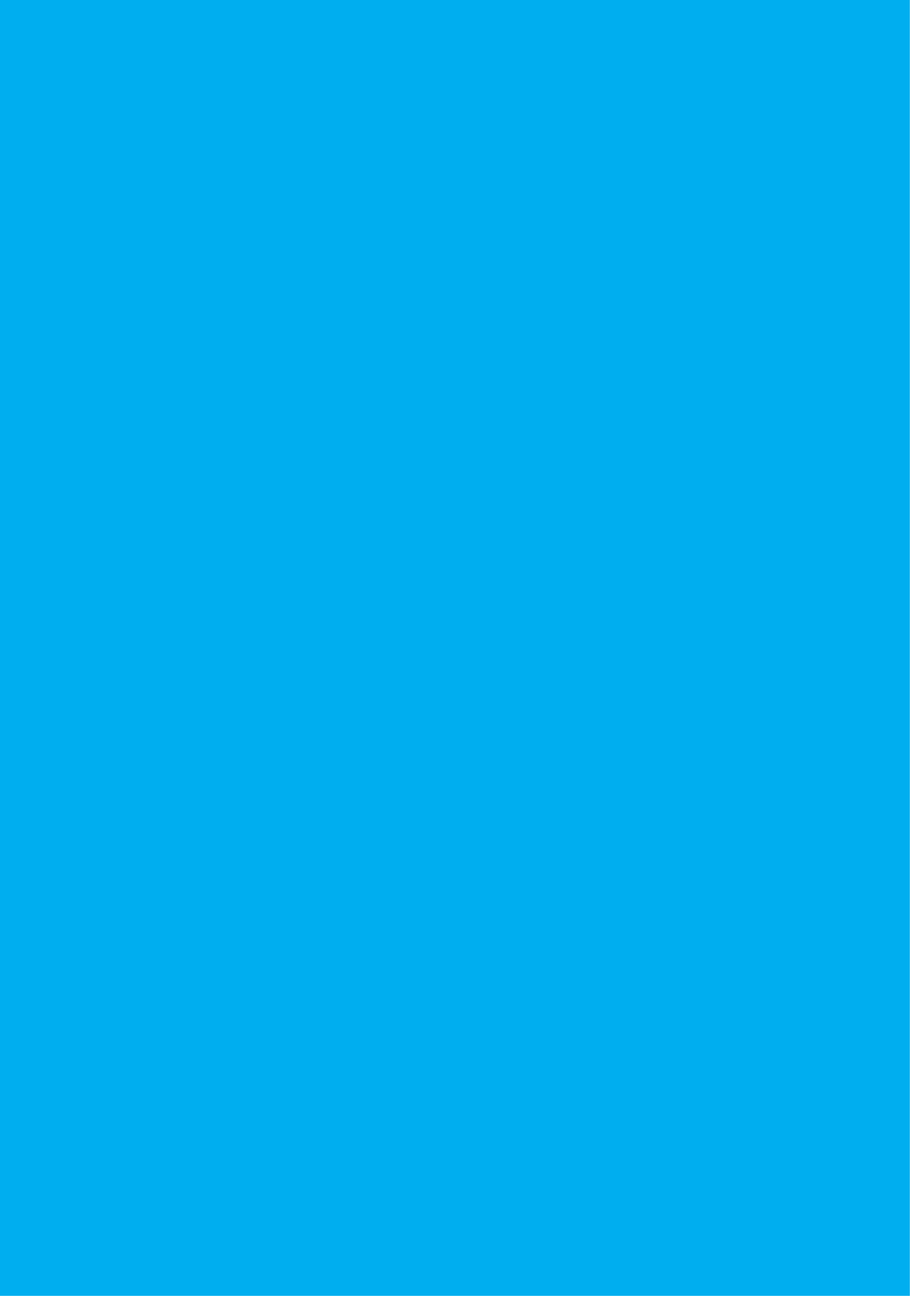
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Taiwan and Mainland China's Democratic Future

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Abstract

Taiwan is important for its objective (analytical) relevance, i.e., for its heuristic value in projecting China's political future. Taiwan's unique mode of democratic transition illustrates a viable exit strategy for a hegemonic party to engineer a peaceful and gradual transition from one-party authoritarianism on the basis of its successful record of economic modernization. Taiwan is also important for its subjective relevance, i.e., its demonstration effect in the eyes of both the citizens on the mainland and the leaders of the Chinese Communist Party (CCP). In addition, Taiwan is important because many Taiwan-based political and social actors also serve as agents of change. Many of the island's social actors have helped China's political liberalization, in particular through the transmission and dissemination of information, ideas and practical knowledge. The political predicament the CCP leadership faces today is quite similar to what had confronted the KMT elite during the 1970s and early 1980s. The strategic options available to the CCP, however, might be different from what had been possible for the KMT elite due to China's particular political legacy and structural conditions. No matter how the CCP elite sizes up its strategic options, in the eyes of the mainland Chinese citizens Taiwan's democratic experience still constitute a very crucial and illuminating social experiment. The improvement in the cross-Strait relations after March 2008 has accelerated the flow of exchange and deepened social ties between the two sides. As increasing numbers of mainland Chinese visitors and exchange students set their foot on the island for the first time, Taiwan is now sitting on a window of opportunity to magnify its soft power of democracy. This can happen if Taiwan is able to improve the overall quality of its young democracy and make its citizens proud of their own political system.

Taiwan and Mainland China's Democratic Future

I. Introduction

The relevance of Taiwan's democratic experience for mainland China's political future is oftentimes discussed but rarely rigorously analyzed. This paper argues that in many ways Taiwan is an important factor in shaping mainland China's democratic future. First, Taiwan is important for its objective (analytical) relevance, i.e., for its heuristic value in projecting China's political future. Taiwan's democratic experience constitutes a crucial social experiment, as it is the first and the only democracy ever installed and practiced in a culturally Chinese society. Furthermore, Taiwan's unique mode of democratic transition illustrates a viable exit strategy for a hegemonic party to engineer a peaceful and gradual transition from one-party authoritarianism on the basis of its successful record of economic modernization. Second, Taiwan is important for its subjective relevance, i.e., its demonstration effect in the eyes of both the citizens on the mainland and the leaders of the Chinese Communist Party (CCP). For better or worse, the way democracy works in Taiwan is closely watched and extensively discussed by ordinary citizens and carefully examined by the mainland intellectual and party elite. Third, Taiwan is important because many Taiwan-based political and social actors also serve as agents of change. Many of the island's social actors have helped China's political liberalization, in particular through the transmission and dissemination of information, ideas and practical knowledge.

This paper tries to accomplish three tasks. First, this paper explicates the role that Taiwan has played as an agent of change. It identifies the most relevant social actors from Taiwan, including academics, writers, the mass media, producers of popular culture, entrepreneurs, and NGOs, that have been conducive to China's political liberalization, in particular the development of a *Rechtstaat*, a modern law-bound state embedded in an open market economy, through the transmission and dissemination of information, ideas and practical knowledge. The way that Taiwan's experiment in social and political pluralism has been interpreted and presented has to some extent shaped the parameters of intellectual debate over political reform on the mainland. Taiwan possesses the potential to either spur the intellectual's democratic aspirations or throw cold water on pro-democracy forces in China depending on among other things whether Taiwan can promote its soft power of democracy with self-confidence and on the basis of a solid track record of good democratic governance.

Second, it compares the political predicament the CCP leadership faces today with that which confronted the KMT elite during the 1970s and early 1980s. It identifies some striking resemblance between their respective trajectories of regime evolution. Much like the CCP of today, the KMT had wrestled with the daunting task of retaining the party's hegemonic presence in society despite dwindling capacity for ideological persuasion and social control, co-opting the newly emerged social forces that came with a rapidly expanding private economy, accommodating the growing popular demand for political representation and participation, and coping with the political consequences of economic opening. Also, the way the KMT had coped with these mounting challenges bears direct relevance to the understanding of China's changing state-society relationship, although the strategic options available to the CCP might be different from what had been possible for the KMT elite due to China's particular political legacy and structural conditions.

Third, this paper identifies the factors that might limit both the objective and subjective relevance of Taiwan's democratic experiment for China's political future. The communist regime might not follow the transition path of Taiwan due to China's prevailing anti-Western ideological legacy and the resurgence of an indigenous cultural identity that both serve as a counterweight to the influence of Western ideas and values, its state-centered development strategy that continues to constrain the political autonomy of country's emerging entrepreneurial and urban middle class, its extraordinary capability in both warding off international pressures as well as shaping its surrounding geo-political environment due to its sheer size and growing regional and global influence, and the party's capacity for selective learning and adaptation to new challenges.

Finally, in conclusion, this paper argues that as the cross-Strait relation is entering a new era of rapprochement under the Ma Ying-jeou administration, Taiwan is in a stronger position to maximize its magnetic power over mainland. This can happen only if Taiwan is able to improve the overall quality of its young democracy and make its citizens proud of their own political system. Over the long term, Taiwan can maximize its magnetic power if the island's future political elite are willing to engage mainland China over the long-term prospect of a reunified political community founded on democratic principles and rules. The tail can wag the dog only if the tail is still attached to the dog.

II. Taiwan as an Agent of Change

Taiwan and mainland China had been separated for over six decades since the ending of the Chinese Civil War in 1949. The two sides lifted the ban on travel and trade toward the end the 1980s. Since 1987, the trickle of cross-Strait economic and cultural exchange has rapidly proliferated into a torrential flow. By the end of 2010, mainland China had become Taiwan's most important trading partner. Currently, Taiwanese travelers make more than 5 million visits to mainland China per year. There are close to one million Taiwanese expatriates and their dependents living and working in mainland China. Taiwanese companies and businessmen have invested more than US\$150 billion in mainland China, and reinvest most of their profits as their business operations expand. Taiwanese businessmen have invested in at least 70,000 projects and penetrated into the remotest corners of the mainland. They are equipped with the necessary linguistic and cultural skill to operate more effectively than any other overseas players in this vast, difficult and oftentimes unpredictable business environment.

Since there are no language and cultural barriers across the Strait, the reach of Taiwan-based mass media and popular culture has been intensively felt not only in all major urban areas in mainland China but also throughout the Chinese-speaking cyberspace. On *weibo.com* (China's version of Twitter), two of three top media stars with most on-line followers (almost 9 million at any point in time) are from Taiwan.¹

A survey conducted as early as in 2005 revealed that China's urban residents had a rather positive general impression about Taiwan, and felt more positively about Taiwan than about the United States.² The same survey also indicated that roughly one in every six respondents has personally encountered people from Taiwan, suggesting a rather high level of social interaction between the two societies. Close to three-fifths of our respondents were able to correctly recall the name of Taiwan's top leader at the time, Chen Shui-bian. Also, almost two thirds of the respondents indicated that they are interested in visiting Taiwan in the future.

On a ten-point scale with 1 standing for "completely not democratic" and 10 "completely democratic", our respondents considered China in 2007 was a halfway

¹ They are *Xiao* (Junior) S and Tsai Kang-yung.

² The survey interviewed about 800 respondents each in two major cities, Xiamen and Chengdu. Xiamen is the closest major city on the mainland to Taiwan, while Chengdu is a land-locked metropolitan center. For details please refer to Yun-han Chu, "Taiwan's Soft Power and the Future of Cross-Strait Relations" in Jan Melissen and Sook Jong Lee eds., *Public Diplomacy and Soft Power in East Asia*, Palgrave Mcmillan, 2010.

house between being not democratic and democratic with a mean score of 5.4 (just one decimal point away from the mid-point, 5.5). In the same survey, most Chinese urban residents replied that Taiwan's political system already passed the threshold of being democratic (with a mean score of 6.2), while giving the United States a mean score of 7.2. Also it is worth noting that about two-thirds of our respondents were able to give answers on this cognitively demanding question.

This survey confirmed a widely held belief that the geographical proximity and cultural ties between the two Chinese societies and as well as the intensified economic exchange and social contacts across the Strait has made Taiwan one of the most familiar and best-known social and political models beyond China's borders among its urban middle class.

While most people living in China learn about Taiwan's social and political development from state-controlled and government-censored news media which typically run dedicated sections on Taiwan (sometimes alongside Hong Kong and Macao), a large number, particularly in urban areas, are also exposed to Taiwan-based sources of information through news and entertainment programs. With the help of satellite TV and the internet, a large proportion of the urban population in mainland China is able to get access Taiwan's cable news services, including TVBS and ETTV. Also, the contents of some of Taiwan's leading newspapers, including the United Daily and China Times, are accessible via internet, although they are often blocked by the security apparatus during politically sensitive periods.

Many Taiwanese political commentators, political comedians, and talk-show anchors, people like Sissy Chen, Jaw Shaw-kang and Yin Nai-ching, have become the household names among China's TV viewers. Also popular are social critics like Lung Ying-tai Lung and Wang Hsin-ching whose personal blogs attract a large number of netizens from mainland China. Together they have helped their mainland audiences and readers to get a better grasp of political, social and cultural events taking place in Taiwan and elsewhere.³

All the major twists and turns in Taiwanese politics are always closely followed and much talked about among China's urban middle class. Whenever mainland Chinese visitors who come to Taiwan for the first time, they tend to stay up very late into the night as they glue themselves to political talk shows and satirical political

³ It goes without saying that not all of messages from Taiwan's commentators are positive about Taiwan's democratic system. For example, Li Ao, a Taiwan-based media commentator many fans in the mainland, almost always portrays Taiwan's democracy in negative and critical terms.

comedies on TV. On the night of Taiwan's 2008 presidential election, it was estimated that at least 200 million mainland Chinese viewers watched the ballot counting process via satellite TV or the internet. The discussion about the meanings and implications of Taiwan's major political events has become one of the hottest topics in mainland China's cyberspace. Virtually all taxi drivers in major Chinese cities can strike a conversation with Mandarin-speaking passengers about Taiwanese politics, much as they can about the economy, the Beijing Olympic and Barack Obama.

While Taiwan's mass media has been instrumental in spreading Taiwan's democratic experiences, many Taiwan-based social actors, such as academia, NGOs, religious groups, entrepreneurs and producers of popular culture have been conducive to China's political liberalization through the transmission and dissemination of information, ideas and practical knowledge.

In the recent past, a large number of Taiwan-based NGOs, covering a full range of social causes from Buddhism to environment, from philanthropy to consumer rights, from assistance to battered wives to preservation of cultural heritage, and from education for mentally retarded children to campaigns against deforestation, have developed extensive networks with their like-minded organizations throughout mainland China.

For instance, Taiwan-based religious groups have played a key role in reviving the traditional religions, in particular Buddhism and Daoism, in the mainland. Taiwan's Buddhist and Daoist organization have dispatched numerous delegations to the mainland to help their brethren recover lost heritages. They have also made significant donations to help their counterparts to renovate temples and shrines. The influence of Taiwanese well-wishers and religious organizations is visible across virtually all of the most famous Buddhist shrines in the mainland, from Wutai Mountain to Emei Mountain. Each year, tens of thousands of followers of Matsu, the Goddess of the Sea, from Taiwan embark on a pilgrimage to the Meizhou Island, the birth place of the legendary goddess. This has spurred a visible revival of Matsu belief throughout Fujian and Guangdong Provinces. Taiwan-based Buddhist organizations are the principal sponsors of the inaugural meeting of the World Forum on Buddhism. This meeting, which was held in Hangzhou in 2006, was widely regarded as a watershed event signaling the official recognition of the legitimacy of Buddhism by the PRC authorities. In 2009, the second World Forum on Buddhism was kicked off in Wuxi (a city near Shanghai) and ended in Taipei with six charter flights carrying the delegates across the Strait.

Taiwan-based NGOs have also played an important role of spreading the ideas and practices of civic activities. For instance, Y. C. Wang, the founder of Formosa Plastic Group, Taiwan's largest conglomerate, was repeatedly ranked by most China's business magazines as well as internet surveys as the most admirable figure exemplifying corporate philanthropy throughout the Chinese-speaking world. Taiwan-based Tzu-chi Foundation⁴ has developed the most extensive private charity network in mainland China to date. Tzu-chi, Taiwan's largest Buddhist charitable organization, embarked on its first relief operation and humanitarian work in China around late 1980s. Since then it has organized the expanding Taiwanese expatriate community around an impressive charity network covering the bulk of mainland China. In 2007, it became the first overseas religious organization to be officially registered with the Chinese authorities and licensed to develop nation-wide organizational network.

Taiwanese entrepreneurs are also frontrunners in the profound social transformation taking place in China over the last two decades. In addition to their roles as investors, employers and providers of modern managerial know-how and access to international markets, they have also played very significant role in shaping the model of local governance, especially in the areas of regional planning and industrial development. There are hundreds of Taiwanese chambers of commerce across China. They are very active policy advocates engaging local governments over all kinds of issues. Taiwanese experts and businessmen have directly involved in the development of industrial zones, science parks and world trade centers in many provinces such as Guangdong, Jiangsu, Fujian, Hubei and Shanghai. Perhaps the most notable center for Taiwanese business on the mainland is Kunshan. Taiwanese advisors and entrepreneurs have transformed this rural town in the vicinity of Suzhou into the world's premier production center for computer and telecommunication equipment.⁵ The so-called Kunshan model has been emulated by all medium-sized Chinese cities aspiring to become a hub of high-tech industry.

Taiwan has also become an importance source of ideas, information and practical know-how on the nuts of bolts of developing a *Rechtstaat*, a modern law-bound state,

⁴ With offices in over twenty countries, the Tzu Chi Foundation is one of the largest charitable organizations originating from Taiwan. Its relief operation has been extended to victims of natural disasters and wars in many corners of the world, such as mainland China, Bangladesh, South Africa, Guinea-Bissau, Nepal, Rwanda, Chechnya, Azerbaijan, Mongolia, Ethiopia, northern Thailand, and Cambodia. For more information about Tzu Chi, please refer to its website: <http://www.tzuchi.org/global/>.

⁵ Chien, Shiu-Shen and Litao Zhao. "Kunshan Model: Learning from Taiwanese Investors," *Built Environment*, 34, 4 (2008):427-443.

which is the prerequisite for liberal constitutionalism. Every aspect of the working of Taiwan's legal system has been carefully studied by mainland Chinese legal experts and bureaucrats responsible for legislative proposals. Taiwan has played a more significant role in the revamping of China's legal system than Hong Kong because its legal system is based on the German code-law system rather than Anglo-Saxon common law. The legal systems on both sides of the Straits also share the same lineage as a bulk of Taiwan's modern legal system was transplanted from mainland China when the island was returned to Nationalist China after the Second World War.

In recent years, Taiwan's law textbooks and legal scholars have been the single most important overseas source of ideas in China's efforts to overhaul its civic codes, criminal codes, litigation procedures, bankruptcy procedure, and regulatory framework for legal persons. An embodiment of Taiwanese influence can be best found in Prof. Wang Che-chien, the foremost authority on civic code on the island. His textbook, *The Principle of Civic Code*, was widely adopted by all mainland China's top law schools and he has been a frequent outside speaker at China's top universities. Another notable example is the close collaboration between Lee & Li, one of Taiwan's leading law firms, Tsinghua University Law School and Zhejiang University Law School. Each year this law firm organizes a joint graduate seminar on business and law and sends its senior partners to these two top law schools for guest lecturing. There are also institutionalized bilateral annual conferences on different kinds of specialized legal topics, ranging from criminology to corporate governance, between professional associations on either side of the Strait.

The exchange and cooperation between the academics and the professionals across the Taiwan Strait have also been accelerated in the recent years over a wide range of social sciences disciplines and professions. Most notable are finance and banking, public administration, management science, local governance, and survey research. Taiwan's former government officials and scholars specialized in public administration have been frequently invited to help the senior cadres of various departments and ministries understand the various mechanisms of internal control and horizontal accountability built into Taiwan's state bureaucracy, such as budgeting, auditing, administrative procedures and civil service examination. Experts of local self-government from Taiwan have helped officials at China's Ministry of Civil Affairs to have a better understanding of Taiwan's election laws and procedures when they drafted and expanded mainland China's own electoral procedures and rules for grass-roots democracy.

Over the last two decades the government on the island has played a very limited role in expanding the cross-Strait cultural and civic engagement. One might even argue that, on the contrary, many manmade obstacles that the government imposed on cross-Strait exchange over the last decades under the presidency of Lee Teng-hui as well as Chen Shui-bian had actually prevented the Taiwan-based social actors from unleashing their full potential. After the 2008 presidential election, which ushered in a new era of cross-Strait rapprochement, Ma Ying-jeou's government has recognized the importance of Taiwan's soft power but it has restrained itself from taking an explicit role in coordinating cross-Strait cultural exchange. This self-restraint is based on a sensible recognition that conventional public diplomacy might unnecessarily provoke the PRC authorities to take countervailing measures, which might hinder Taiwan's private actors from being effective messengers and agents of change. At the same time, spontaneous private initiatives enjoy more room for maneuver as they are seemingly less offensive, intrusive and threatening.

III. Comparing the Trajectories of Regime Evolution between Taiwan and Mainland China

While the ordinary mainland Chinese are curious about Taiwan's political experiences, the CCP leaders have taken the lessons of Taiwan's democratic transition and in particular the collapse of KMT's political hegemony (culminating in its electoral debacle in the year 2000) seriously.⁶ For both sentimental reasons and practical considerations, many in the party elite believe that there is a strong affinity between the political fate of the KMT and that of the CCP. What happened to the KMT could possibly also happen to the CCP in the future. For a better understanding of the historical roots of this widely shared perception, we need to compare the trajectories of regime evolution on the two sides of the Taiwan Strait in greater detail.

The genesis and early organizational development of the KMT the CCP was not only strikingly similar but also intimately intertwined.⁷ In the early twentieth century, they were both formed to rebuild state and society out of the ashes of imperial China and to save the nation from predatory imperialist powers. Upon their foundation, both

⁶ In fact, following Taiwan's historical power rotation in 2000, the CCP's Central Party School commissioned a special research project to find out what are the lessons the party should draw from the KMT-directed political opening and its eventual fall from power. The author was invited by China Reform Forum, an offshoot of the Central Party School, to give a presentation about what caused KMT's eventual fall from power in front of the party school's vice president and senior research staff.

⁷ Bruce Dickson, *Democratization in China and Taiwan: The Adaptability of Leninist Parties* (Oxford University Press, 1989), Chapter 1.

parties quickly adopted a Leninist configuration – clandestine, cell-constituted, vanguard-led, presumably mass-based, and with an organizational coherence based on the principle of democratic centralism.⁸ With self-imposed (and competing) historical missions, a nationalist one for the KMT and a socialist one for the CCP, both parties superimposed themselves onto the state and society and achieved institutional hegemony.⁹

Although after 1949 the KMT has traveled down a path of regime evolution rather different from that of its Communist rival, the one-party authoritarian regime that Kuomintang installed and partially institutionalized on Taiwan still conformed to many of the organizational and operational characteristics of the classic Leninist parties as far as the centralization of power in the paramount leader, the symbiosis between the party and the state, and the way the party-state organized and penetrated the society are concerned.¹⁰ Also, much like the role that CCP has been performing until now, for more than thirty years after the War, the KMT had not been just a ruling coalition in the normal sense, it also functioned as a “historical bloc” in the Gramscian sense in Taiwanese society.¹¹ It organized the society that it governed, structured the political arena in which it operated, and articulated a world view that was grounded in historically specific socio-political conditions and lent substance and coherence to its political domination.¹²

On the other hand, the post-War KMT regime was different from the Leninist regimes of former Soviet bloc in many important ways. First, the KMT had been closely associated with the West in terms of its ideological inclination, security alliance and economic partnership. Secondly, from early on it had recognized private property rights and market system and partially institutionalized the rule of law. Third it had enjoyed the support of a distinctive development coalition evolving around an

⁸ The KMT’s Leninist legacy originated from its close cooperation with the Soviet Union around mid-1920s after Sun Yat-sen re-organized the party in 1924.

⁹ Tun-jen Cheng and Lin Gang, “Competitive Elections and the Transformation of the Hegemonic Party: Experience in Taiwan and Recent Development in China”, in Bruce Gilley and Larry Diamond eds. *Political Change in China: Comparisons with Taiwan*. Boulder, CO: Lynne Rienner Publishers, 2008.

¹⁰ For the quasi-Leninist features of the post-War KMT, see Yun-han Chu, *Crafting Democracy in Taiwan*. (Taipei: Institute for National Policy Research 1992), Chapter 2, and Tun-jen Cheng.

“Democratizing the Quasi-Leninist Regime in Taiwan.” *World Politics*. 42 (July 1989), pp. 471-499.

¹¹ In Antonio Gramsci’s view, any ruling class that wishes to dominate under modern conditions has to move beyond its own narrow corporate interests to exert intellectual and moral leadership, and to make alliances and compromises with a variety of forces. Gramsci calls this union of social forces a “historic bloc”. This bloc forms the basis of consent to a certain social order, which produces and re-produces the hegemony of the dominant class through a nexus of institutions, social relations and ideas.

¹² Yun-han Chu, “Political Parties in Taiwan’s Dominant One-party Democracy,” in Larry Diamond, Marc Plattner and Richard Gunther eds. *Political Party and Democracy*. (Johns Hopkins University Press, 2001)

export-led industrialization. Paradoxically, much of the same can be said about how much the CCP has deviated from the classic Leninist model after China had opened up to the West and embarked on market-oriented reform since the late 1970s. With an epic transition from totalitarianism to developmental authoritarianism, the CCP to some extent reconnected itself with the political trajectory of the post-War KMT.

After overseeing more than two decades of rapid economic growth and accompanying social transformation, the CCP elite today is confronted with a very similar set of political challenges that the KMT ruling elite experienced during the late 1970s and early 1980s. Entering 1970s, the KMT leadership was wrestling with mounting challenges to its hegemonic presence in society on at least five fronts. The KMT responded to these challenges with a series of strategic and institutional adjustment that might have looked incremental or even cosmetic at first but turned out to be quite consequential. More significantly, the parallel between the KMT's reform strategies of the 1970s and early 1980s and that of the fourth generation CCP leadership with Hu Jintao at its helm is striking. In the following, I examine these five challenges, one by one.

The first is how to replace the depleting guiding ideology and discredited revolutionary mandate with a new foundation of regime legitimacy. The second-generation KMT leadership under Chiang Ching-kuo (CCK) shelved the mission of "recovering the mainland and reunifying China" and replaced it with "building up Taiwan" and a vision of "shared affluence" (*junfu*). The leadership upheld this new *raison d'être* with a sense of urgency by introducing ambitious projects to modernize the island's infrastructure and upgrade Taiwan's industrial structure. The KMT regime's legitimacy was further buttressed with a Chinese style of populism anchored on compassionate, approachable and public-spirited leadership that exemplified the virtue of unselfishness, frugality and self-discipline that has been enshrined by the tradition of Confucian meritocracy. In a similar vein, both Jiang Zemin's vision for building "a well off society" (*xiaokang shehui*) and Hu Jintao's expanded vision for building a harmonious society and steering China's peaceful rise, represent the latest effort of the CCP elite to redefine the regime's *raison d'être* in way that might resonate with the great majority of Chinese people. Hu Jintao also tried a similar style of populism with the motto of "new three people's principles (*sange weimin*)".¹³ Wen Jiabao's amiable style of leadership looks also strikingly similar to

¹³ On March 18, 2003, a day after assuming the presidency, Hu Jintao proposed what have been known as "new three people's principles" (*xin sanmin zhuyi* or *sange weimin*): to use the power for the people (*quan weimin shuoyong*), to link the sentiments to the people (*qing weimin shuoji*), and to pursue the interest of the people (*li weimin shoumo*).

that of CCK who frequently visited villagers and workers and rushed to the devastated areas after every major natural disaster.

The second is how to refurbish the party's social foundation as new social forces emerge outside its organizational scope. The second-generation KMT leadership tried to remake the KMT from a vanguard to a catchall party and from a revolutionary to a ruling party. The party vigorously recruited new members from not just its old constituencies, such as mainlanders, the military and veterans, public-sector employees, teachers, local factions, and cadres of farmer and fisherman associations, but also the expanding entrepreneurial classes and professional and urban middle class that benefited from its export-led industrialization strategy. At its peak in the mid-1980s, party membership reached almost 18 percent of the entire male adult population. More specifically, CCK tried to replenish fading old cadres with younger technocrats, foreign-educated scholars, and especially native Taiwanese talents groomed them through the party academy. Parallel to the KMT's earlier strategic shift, the introduction of the theory of "three represents" also marked a historical decision by the CCP leadership to transform the party from a vanguard of the proletariat to a catchall party. With this new guiding principle, which was enshrined in the PRC Constitution during the 2004 amendment, the CCP cast its lot with the beneficiaries of its economic reform.¹⁴ No longer simply a vanguard party of the "three revolutionary classes," that is, peasants, workers, and soldiers, the party now claims to represent advanced productive forces, advanced culture, and the interests of the majority of the Chinese people, i.e. the so-called "three represents". While this effort to co-opt private business owners, intellectuals and the professionals is often derided as window dressing, it reflects the party's efforts to adapt itself to the changed economic and social environment in China.¹⁵ In retrospect, it appears that the KMT also practiced its own version of "three represents", without using the exact label.

The third is how to safeguard the party's monopoly on organized social life from the encroachment of autonomous social movements and bottom-up civic organizations. As early as the 1950s, the KMT's party apparatus had filled up virtually all the organizational space in the modern sectors through preemptive incorporation of business and professional associations, labor unions, farmers, state employees, journalists, the intellectual, students and other targeted groups into state-sponsored

¹⁴ John W. Lewis and Litai Xue, "Social Change and Political Reform in China: Meeting the Challenge of Success," in Yun-han Chu, Chi-cheng Lo and Ramon Myers eds. *The New Chinese Leadership: Challenges and Opportunities after the 16th Party Congress* (Cambridge University Press, 2004).

¹⁵ Bruce Dickson, "Dilemmas for Party Adaptation: the CCP's Strategies for Survival." In Peter Hays Gries and Stanley Rosen eds. *State and Society in 21st-Century China: Crisis, Contention and Legitimation*, London: RoutledgeCurzon, 2004: pp.141-58.

corporatist organizations.¹⁶ During the 1960s and 1970s these corporatist organizations were designed to function as an arm of both the state bureaucracy and the party extending into the private sector. But with the growing importance of the private enterprises to the success of export-led industrialization, the KMT had to formally recognize the economic might of the private sector. Entering the 1980s, the existing business associations were upgraded to become functional conduits for soliciting policy input and coordinating industrial policy. In particular representatives of the three national peak organizations, the Federation of Industry, the Federation of Commerce and the blue-ribbon National Council of Industry and Commerce, were accorded with elevated status in the party's top echelon, including membership of the KMT Central Standing Committee.¹⁷

At the same, the emergence of autonomous labor movements, environmentalist movements, consumer rights groups and other public-interest advocacies outside the existing corporatist structure combined with the legal framework under martial law prompted the KMT leadership to take a two-pronged strategy to cope with the burgeoning pluralism. First, it enacted Civic Organization Law to license and regulate these voluntary groups. Next, it upgraded the bureaucracies in charge of labor affairs, environment and consumer protection to ministry-level agencies and selectively co-opted moderate leaders of social movements into new ministries' advisory bodies.¹⁸ As the legal space and mobilizing power of the bottom-up NGOs expanded, the reach of the party-state into the associational life necessarily receded.

The CCP today is also reigning over a society under epochal transformation. New types of state-society relations have evolved, and the state no longer controls its citizens as it used to. All kinds of new actors, especially foreign-trained professionals, have proliferated in key urban sectors, such as the state bureaucracy, the export sector, and the higher education system. This brought about the recomposition of the ruling establishment, societal pluralization, new forms of political discourse and political participation, and new legal, regulatory, and market structures. To absorb newcomers into party and government structures, new organizational rules, largely merit-based or market-based, have been introduced, and the hierarchical structures of the socialist

¹⁶ These associations were licensed by the state and based on compulsory membership. They were typically granted exclusive representation and certain regulatory authority.

¹⁷ Yun-han Chu, "The Realignment of State-Business Relations in Taiwan's Regime Transition," in Andrew MacIntyre ed., *The Changing Government-Business Relations in the Pacific Rim Countries* (Cornell University Press, 1994)

¹⁸ Yun-han Chu, "Social Protest and Political Democratization in Taiwan," in Murray Rubinstein ed. *Other Voices/Other Visions: Responses to Directed Political and Socio-economic Change in Taiwan, 1945-1991*. (Armock, New York: M.E. Sharpe, 1994)

command economy have been replaced.¹⁹ The communist regime is also wrestling with tidal waves of social protest. Beneath the veneer of rapid economic growth and political stability, the CCP faces simmering social grievances arising from uprooted migrants from the countryside, massive lay-offs in the state-owned sectors, corruption and government abuse of power, land expropriation without proper compensation, and environmental degradation. Like the KMT in the early 1980s, the CCP leaders have shown a great deal of tolerance and flexibility in dealing with popular protests. National fiscal priorities have been adjusted to address the negative consequences of the uneven developments of recent years, the states administrative and regulatory capacities have been upgraded to deal with emerging social problems and market failures, and local authorities have been instructed to be careful in handling local incidents of social unrest to prevent them from escalating.²⁰

At the same time, the Chinese authorities are facing the challenge of an explosion in associational life.²¹ The mushrooming of bottom-up NGOs, which typically evaded the current regulatory framework due to difficult registration procedures, has severely rolled back the once omnipresent party-state control over organizational space.²² In addition, mushrooming of the underground religious sects and even organized criminal gangs has undermined the state's governance capacity.²³ Nevertheless, with limited success the Communist regime has still managed to maintain organic links to some important non-state sectors by reinvigorating the existing mass organizations that cover the party's targeted constituencies, including workers, youth, women, scientists and engineers, businessman, literary and art circles, and so on. At the same time, certain segments of society such as underground religious movements, dissident intellectuals, human rights lawyers, and independent labor movements have been put on a tighter leash. Most notable is the rapid expansion of the intermediary organizations between the state and private sector. With approval of the party, business and industrial associations were created around responsible government agencies at all levels and formally assimilated into the hierarchy of state-sanctioned encompassing organizations such as the All-China Federation of

¹⁹ Edward S. Steinfeld, "China's Other Revolution," *Boston Review*, July/August, 2011.

²⁰ Yongnian Zheng, "State Rebuilding, Popular Protest and Collective Action in China," *Japanese Journal of Political Science*, Vol. 3 (2002), pp. 45-70.

²¹ Shaoguang Wang and Jianyu He, "Associational Revolution in China: Mapping the Landscapes," *Korea Observer*, Vol. 35, No. 3 (Autumn 2004).

²² Wang Ming, Deng Guosheng, Gu Linsheng, "China NGO Research: A Case Study," UNCRD Research Report Series No. 38 (2001).

²³ Jae Ho Chung, Hongyi Lai and Ming Xia, "Mounting Challenges to Governance in China: Surveying collective protestors, religious sects and criminal organizations," *The China Journal*, No. 56, (July 2006): 1-31.

Industry and Commerce.²⁴ Both private and state-owned enterprises have become involved in a tug of war with government agencies and with each other to gain national policy advantages, often setting the agenda, providing alternative options, and pressing for favored outcomes.²⁵

The fourth is how to contain and harness the rise of demand-driven mass media and alternative sources of information and ideas that compete with the official organs. During the 1970s and early 1980s, the KMT still imposed rigorous censorship over mass media, films, and publications. It was also adamant about freezing new license for newspapers and restricting the maximum number of pages in newspapers that were allowed to publish. Nevertheless, the growing popular demand for independent sources of information, ideas and critical opinions steadily eroded the monopoly of the party-state over the supply of information and ideas. Party-owned newspapers gradually lost market share to KMT-affiliated but private-owned newspapers, which frequently stepped on the toes of monitoring agencies to gain wider circulation. Independent publishers constantly engaged law-enforcement agencies in hide-and-seek games and found ways to turn reprints of banned books and commentary magazines into a decent profit. But the KMT still managed to retain its capacity to foster a societal consensus over an ordered and incremental political change through its direct control over electronic media.

The CCP today is also wrestling with the political consequences of a rapid commercialization and internationalization of media industries.²⁶ It is also adamant about protecting its ownership of electronic media. However, the CCP is probably facing a much tougher challenge than the KMT of yesteryear as its policing power has been overwhelmed by the explosion of internet-based social media. In December 1997 China had about 670,000 Internet users, and by December 2010 this number had shot to 457 million. As Yang Guobin put it, “this communication revolution is a social revolution because the ordinary people assume an unprecedented role as agents of change.”²⁷ Every day, a torrential flow of information and opinions passes through cyberspace and billions of messages are transmitted through wireless communication. The regime is fighting a losing battle against time and technological innovation in its attempts to police China’s netizens.

²⁴ David L. Wank, Private Business, Bureaucracy, and Political Alliance in a Chinese City, *The Australian Journal of Chinese Affairs*, No. 33 (Jan., 1995), pp. 55-71; Scott Kennedy, *Business of Lobbying in China* (Harvard University Press, 2005), Chapter 2.

²⁵ Scott Kennedy, *Business of Lobbying in China*, Chapter 3.

²⁶ Stephanie Hemelryk Donald, Yin Hong and Michael Keane eds. *Media in China: Consumption, Content and Crisis* (London: Routledge, 2002).

²⁷ Guobin Yang, *The Power of the Internet in China: Citizen Activism Online*, New York: Columbia University Press, 2009.

The fifth challenge is how to deal with contending economic interests and the rising popular demand for political representation and participation that came with socio-economic modernization. Of all the institutional and strategic adjustments the KMT leadership introduced during the 1970s and early 1980s, nothing was more consequential than the opening up of national representative bodies for limited popular election. Under the pretext of a protracted civil war, the KMT had suspended the reelection of national representative bodies for almost a quarter century and extended the tenure of the incumbent members elected in 1948 on the mainland indefinitely. At the beginning of 1970s, a series of devastating diplomatic setbacks compelled the KMT to strengthen its democratic legitimacy at home to compensate for the rapidly deteriorating international legitimacy. Limited electoral opening of national representative bodies was first instituted in 1972, expanded in 1980 and again in 1989. Each time a greater percentage of the seats in Legislative Yuan as well as National Assembly was subject to popular election, known as supplementary election.

This historic opening was initially not considered a risky move. After all, the KMT had developed a proven formula for controlling a limited popular electoral process implemented at local level for more than two decades. The KMT had introduced elections for township head, county/city council and country/city magistrate as early as 1950 and popular election for Taiwan Provincial Assembly as early as 1954 to incorporate a diversified native Taiwanese elite into the process of party-building and to provide the authoritarian system with a modicum of democratic legitimacy. At the grass-roots level, the KMT incorporated existing patron-client networks into the party structure. Within each administrative district below the provincial level, the KMT nurtured and kept at least two competing local factions striving for public offices and for a share of region-based economic rents in the non-tradable goods sector. There existed a mutual dependence between the local factions and the central party leadership. On the one hand, the smooth functioning of irregular campaign practices and the local spoil system depended on the indulgence of the various state regulatory and law-enforcement agencies, which were under the influence of the party. On the other hand, the fierce competition among the factions effectively blocked the entrance of the opposition candidates into local elections. On top of this, the central leadership could claim the overall electoral victory delivered by disparate local factions.²⁸ Thus, for almost three decades, the KMT had faced a very

²⁸ The combined mobilizational strength of the KMT party and the local factions had virtually without exception delivered more than two thirds of popular votes and three quarters of seats in all elections before the arrival of the opposition around late 1980s. See Hung-mao Tien and Yun-han Chu, "Building Democracy in Taiwan," in David Shambaugh ed. *Contemporary Taiwan*. (Oxford University Press,

unorganized and weak political opposition consisting primarily of defiant local factions that had no national political ambitions and posed little threat to KMT's dominant position.

While the gradual opening up of the national representative bodies was in a way branching out of a dynamics of institutional evolution that had been in place for a quarter of a century, it in a rather unintended way set in motion an accelerating trend of authoritarian demise. As Taiwan's socio-economic conditions were already ripe for democratic opening, the introduction of supplementary elections for national representative bodies gave rise to a loose anti-KMT coalition of independent candidates with national political aims, known as the *dangwai* (literally outside-the-party). *Dangwai* candidates used the electoral process as an effective mechanism of political re-socialization to foster the growth of popular aspiration for democratic reform and a separate Taiwanese identity. Emboldened by their electoral success, *dangwai* candidates steadily moved closer to becoming a quasi-party, and in and finally in 1986 founded the DPP in open defiance of the martial law.

The decision by CCK to tolerate the forming of the DPP and the subsequent announcement, which came only a week after the birth of the DPP, of his intention to lift the martial law and many long-time political bans essentially pushed the process of authoritarian demise over the point of no return. However, the incumbent-initiated political liberalization was intended to be a directed political change to begin with. To ensure the predictability of transition outcome, the KMT leadership favored a formula of "democratization in installments".²⁹ Through a multi-stage constitutional reform, the KMT managed to ensure an orderly sequencing of democratic opening and elongate the time span of the transition process to almost a decade. On the other hand, the DPP lacked the political capacity to impose its reform schedule and agenda on the incumbent regime. At the juncture of regime opening, the range of the confrontational and mobilization strategies available to the opposition was constrained by the dual fact that the KMT's socio-economic development program had been broadly-based and the hegemonic party had already filled up most of the organizational space in the society and locked in the support of key constituencies. These prevailing conditions enabled the KMT to engineer a transition from a one-party authoritarian regime to what T. J. Pempel termed "a one-party dominant regime" (best exemplified by the LDP in Japan),³⁰ making Taiwan perhaps the only case among the third-wave

1998)

²⁹ This concept was coined by Masahiro Wakabayashi, see his *Taiwan—Bunretsu kokka to minshuka* [Taiwan: Democratization in a divided country] (University of Tokyo Press, 1992), p. 17.

³⁰ T. J. Pempel, "Introduction," in T. J. Pempel ed. *Uncommon Democracies: The One-Party Dominant*

democracies where a quasi-Leninist party not only survived an authoritarian breakdown but capitalized on the crisis to its advantage.³¹ It is plausible to argue that had a political cleavage over national identity not emerged and the resultant intra-party split avoided, the KMT could have retained its governing position for much longer after the democratic transition.

Today the CCP leaders also recognize that China's rapid socio-economic transformation has already brought about a growing popular demand for accountability, representation and participation. They feel compelled to lower the barriers for various kinds of stakeholders to entering the policy-making process and make the system more responsive to the increasingly diverse demands of Chinese society.³² Before long China's urban sector will be ripe for further political opening. Taiwan's model of "democratization in installments" is of heuristic value to the next-generation of CCP leaders, who will be under increasing pressure to find a viable exit strategy. Taiwan's experiences have demonstrated that it is possible for a hegemonic party to engineer a peaceful and gradual transition from one-party authoritarianism on the basis of its successful record of economic modernization.

IV. Why The CCP Leaders' Strategic Options Are Different

The above analyses suggest that the specific historical juncture that the second-generation KMT leaders faced during the late 1970s and early 1980s in many aspects resemble the delicate political situation that Hu Jintao and other top leaders find themselves in today. However, the strategic options available to the two incumbent elites at different time points are not exactly the same.

The KMT regime was severely constrained by three types of structural vulnerability, at least much more so than it is the case for the CCP. First, the KMT had been susceptible and vulnerable to the influence and pressure of foreign actors, especially the United States. Taiwan had been highly dependent on the United States for market access, security guarantees, and international space. In stark contrast with today's China, which is a rising global power and a strategic rival to the United States, at the juncture of de-recognition crisis of the 1970s and 1980s Taiwan was a relatively

Regimes (Cornell University Press, 1990), Introduction.

³¹ Yun-han Chu, "Political Parties in Taiwan's Dominant One-party Democracy."

³² Andrew Mertha, "Fragmented Authoritarianism 2.0": Political Pluralization in the Chinese Policy Process," *The China Quarterly* (2009), 200: 995-1012.

small and strategically insecure society that needed to democratize to refashion its international legitimacy and maintain the support of its most vital ally.³³

Second, the ideological foundation of the KMT's post-War authoritarian order was intrinsically shaky as it was anchored on a precarious sovereign claim under which the ROC government remained the sole legitimate government representing the whole of China. The mainlander-dominated KMT leadership had been fighting an uphill battle -- defending the extra-constitutional arrangements amid a global wave of democratization, insisting on the one-China principle when virtually all major nations shifted their diplomatic recognition to the PRC as the sole legitimate government of China, and upholding a Chinese identity in the wake of an emergence of Taiwanese identity. Toward the second half of 1980s, it became increasingly difficult for the KMT to hold off the issue of power redistribution from the mainlander elite to native Taiwanese through democratic opening.

Third, the KMT was constrained by its own ideological and institutional commitment. From the very beginning, the official ideology of the KMT, which found its institutional expression in the 1947 Republic of China Constitution, embraced democratic norms and upheld the validity of dissent and open contestation, at least in principle. The KMT had defended the post-War authoritarian arrangements on the grounds that the country was under imminent military threat from its communist rival across the Strait. Thus, authoritarian rule was founded on a system of extra-constitutional legal arrangements and emergency decrees that replaced or superseded many important provisions in the ROC Constitution. During the early 1980s, as an atmosphere of détente across the Taiwan Straits began to melt down the siege mentality among the public and weakened the rationale for maintaining a state of emergency, it became more difficult and costly for the KMT to suppress the popular demand for a returning to constitutional "normality". But at the same time the KMT was empowered by its accumulated capacity in engineering electoral dominance and by the cohesion of the political coalition behind its development strategy (which addressed both growth and equality issues with high degree of effectiveness), so an option of peaceful extrication from authoritarian rule was readily available.

The structural conditions that Hu Jintao's generation inherited in many respects are significantly less stringent than what had been the case for the KMT two decades ago. First of all, the CCP regime is relatively free from the kind of ideological or

³³ Larry Diamond, "Why China's Democratic Transition Will Differ from Taiwan's" in Bruce Gilley and Larry Diamond eds. *Political Change in China: Comparisons with Taiwan*. Boulder, CO: Lynne Rienner Publishers, 2008.

institutional commitment that had constrained the KMT elite. The CCP has committed itself to the development of “socialist democracy”, not Western-styled liberal democracy. The CCP’s monopoly of power is still protected by the PRC Constitution, which precludes public contestation of power. In addition, while Chinese nationalism turned out to be a liability for the KMT elite, it remains CCP’s most valuable political asset. Hu Jintao’s vision for a peaceful rise of China can serve as important pillar of legitimacy for the communist regime as it addresses the popular yearning for restoring China’s preeminence on the world stage. Furthermore, in the ideological arena Western ideas and values have yet to establish a hegemonic presence. They are facing two strong ideological counterweights. First, the CCP’s socialist legacy has been reinvigorated by the so-called New Leftist who are critical of the neo-classical and neoliberal economics, compare American democracy to a plutocracy, and advocate a stronger role of the state in response to the growing social inequality, regional disparity, and rampant corruption and injustice in the process of privatization.³⁴ Next, with the support of the regime, there has been a resurgence of Chinese cultural identity, philosophy and worldview, in particular Confucianism which is expected to offer a compelling alternative to Western liberalism as the country retreats from communism.³⁵

Furthermore, out of the world’s transitional societies, China, due to its sheer size and history of anti-imperialist struggle, is least susceptible to the sway of the United States or the industrialized democracies as a whole. On the contrary, China’s enjoys an ever growing strategic and economic capability to create a more hospitable external environment, especially within its own orbit of political and economic influence. In addition, China today is navigating in a different time to Taiwan in the 1970s and 1980s. The global tidal wave of democratization has receded and the developing world today is entering a period of what Larry Diamond has dubbed “democratic recession”.³⁶ Even the advanced democracies of the West democracies, long admired by China’s liberal-minded intellectual elite, are steadily losing their attractiveness as the fiscal crises in Europe deepens and the political paralysis in Washington lingers in the wake of the so-called Great Recession.

At the same time, the limited electoral pluralism that the CCP has experimented so far at grassroots level has not yet reached the critical magnitude that could set in

³⁴ On the intellectual debate over China’s future, see Chapter Two in C. Fred Bergsten, Charles Freeman, Nicholas R. Lardy and Derek J. Mitchell, *China’s Rise: Challenges and Opportunities*. Washington D.C.: Peterson Institute for International Economics, 2008.

³⁵ Daniel Bell, *China’s New Confucianism: Politics and Everyday Life in a Changing Society*, Princeton University Press, 2008.

³⁶ Quoted in Peter Beinart, “Is Freedom Failing?” *Time*, May 10, 2007.

motion the self-propelling dynamics of institutional evolution that Taiwan had experienced. Yes, the village elections have become a normal feature of grass-roots political life and they represent an important step forward in China's quest for a more accountable political system, but as Tom Bernstein forcefully argues, the impact of village democracy functioning within an overarching authoritarian environment is limited.³⁷ If one is looking for a seed of democratization that had been planted in the existing system, People's Congresses present perhaps a more promising case. The pluralization of economic interests and the deepening of social stratification have already made their impact on the election of deputies of People's Congresses at local level and the role they have played in setting policy priorities and drafting laws and regulations. However, China's emerging business-owning and professional class is not quite the same kind of autonomous social forces that had incubated Taiwan's political opposition. China's economic structure today is still far more state-centric and state-dominant than what had been the case for Taiwan twenty years ago. Nowadays, China's state-owned enterprises still occupy the commanding height of the economy. A bulk of private firms still relies on state actors to ease resource constraints of China's regulated markets. In addition, state involvement in decision-making at the firm level through party and government controlled mechanisms of intervention, especially in the areas of corporate governance, labor relations and finance remain a core feature of China's state-guided capitalism.³⁸ As a result, in the foreseeable future the CCP can still exert its supremacy over the local and national People's Congresses and keep a limited political pluralism in check.

V. By Way of Conclusion

Therefore one might draw two rather different kinds of lessons from Taiwan's transition experience as far as China's democratic future is concerned. On the one hand, the eventual demise of the KMT's one-party regime suggests that developmental authoritarianism with all its organizational omnipotence and adaptability will eventually become the victim of its own success. A highly resilient developmental authoritarian regime can find ways to mitigate the corrosive effect of rapid socio-economic modernization on its political hegemony but there is no way to stop it.

³⁷ Thomas Bernstein, "Village Democracy and Its Limits", *Asien*, vol. 99 (April 2006), pp. 29-41.

³⁸ Victor Nee, "Organizational Dynamics of Institutional Change: Politicized Capitalism in China," in Victor Nee and Richard Swedberg eds., *The Economic Sociology of Capitalism*, Princeton: Princeton University Press, 2005.

On the other hand, a well-entrenched hegemonic party like the CPP can elongate the process of gradual political liberalization over a long period of time. Conceivably, the CCP probably will enjoy much more breathing space because it is navigating in a less restrictive external environment. If the CCP can avoid an irreparable intra-party split (that often comes with power struggle over succession under authoritarianism), sustain its growth momentum, and adequately arrest the trend of growing regional disparity and economic polarization, it is not inconceivable that the CCP can manage to retain its hegemonic presence in society for quite a while yet. It can do so with the right mix of coercion and material pay-offs, a blend of populist leadership and nationalist symbols, a rebuilding of the state's governing capacity, adaptation of the existing representative institutions and consultative mechanisms, eclecticism and pragmatism on socioeconomic issues, selective co-optation of emerging social forces, and a constant replenishment of its talent pool. It was by and large with these methods that the second-generation KMT leaders had stretched the process of gradual political liberalization and the concomitant authoritarian weakening on Taiwan to almost two decades (from early 1970s to late 1980s) in the midst of rapid socio-economic changes and deteriorating international standing.

No matter how the CCP elite sizes up its strategic options, in the eyes of the mainland Chinese citizens Taiwan's democratic experience still constitute a very crucial and illuminating social experiment. Competing interpretations of Taiwan's democratic experiences will continue to shape the parameters of public discourse on the mainland as the intellectual debate over China's political future has gathered momentums. This means Taiwan's contending political elites have played and will continue to play a double-edged role.

If Taiwan's political model turns sour, this experiment will surely dampen democratic aspirations on the mainland. The protracted political chaos and paralysis and visible deterioration in many aspects of quality of democracy that came with the 2000 power rotation once made Taiwan's democratic experience much less convincing. The island's political model might also steadily lose its appeal to Chinese citizens if Taiwan becomes increasingly culturally and politically estranged from China. The anti-China nature of Taiwanese nationalism and the de-Sinization campaign under the DPP administration alienated many influential Chinese public intellectuals, who could have been otherwise more perceptive to Taiwan's political experiences. These developments also supplied the CCP's propaganda machine with the material they needed to demonize Taiwan's democratization as nothing but a

dangerous separatist movement.

On the other hand, Taiwan-based political, economic and social actors are potentially powerful catalyst for democratic change in mainland China. Taiwan's transformative power lies not just in its experiences with economic modernization, social pluralism and democratic development, but also its possession of "Chineseness". Taiwanese people have preserved and practiced Chinese social customs, dietary habits, conceptions about body and health, notions about life, death, fate and supernatural forces, and family-based ethics in their daily life. The elements of modernity makes Taiwan's model admirable and inspirational while the inherited linguistic and cultural affinity makes Taiwan's way of life much more relevant, comprehensible and accessible to the mainland Chinese public. Most of all, on Taiwan the elements of modernity and the elements of cultural heritage have been blended into a whole, which is alive, vibrant and constantly evolving.

The improvement in the cross-Strait relations after March 2008 has accelerated the flow of exchange and deepened social ties between the two sides. As increasing numbers of mainland Chinese visitors and exchange students set their foot on the island for the first time, Taiwan is now sitting on a window of opportunity to magnify its soft power of democracy. This can happen if Taiwan is able to improve the overall quality of its young democracy and make its citizens proud of their own political system. Over the long run, Taiwan can maximize its political leverage if the island's future political elite is willing to engage mainland China over the long-term prospect of a reunified political community founded on democratic principles and rules. The tail can wag the dog only if the tail is still attached to the dog.

Maximizing the island's soft power of democracy is the best and perhaps the only strategy available to Taiwan to protecting its long-term interests. This strategy will enhance Taiwan's capability to steer the future course of cross-Strait relations despite of the growing asymmetry in the distribution of hard power between the two. This strategy will also allow Taiwan to become a significant, responsible and constructive player in East Asia and the world stage at large. Without it, Taiwan will become increasingly vulnerable, irrelevant and marginalized.

