

Political Institutions and Economic Governance: The Political Economy of Hybrid Presidentialism in Postauthoritarian Taiwan

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ABSTRACT

My analysis of Taiwan's hybrid presidentialism offers a different perspective to regime type debates, in which academic attention has been concentrated on the impact of this kind of institution on political stability, party system configuration, and prospects for democratic consolidation. Instead of focusing on the potential negative consequences of hybrid presidentialism, I argue that this unique regime type may generate positive outcomes as far as economic governance, a key issue faced by all transitional democracies, is concerned. Given the preexisting, Single Non-transferable Vote (SNTV), which has made the legislative branch an arena divided and captured by particularistic interests, the hybrid presidentialism could serve as a countervailing institution that facilitates command and coordination capability within the executive, sidesteps problems of decision-making paralysis evident in Japan, and provides institutional incentives for politicians to address more public-oriented issues. Crisis management during the Asian financial crisis is invoked to demonstrate the institutional sources of different policy responses in Taiwan and Japan.

Key Words: hybrid presidentialism, single non-transferable voting (SNTV), structural corruption, developmental state, Asian financial crisis

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I. Introduction

The latest round of constitutional revision (July 1997) in Taiwan created a hybrid government structure in which elements of the French mixed system were adopted and modified. Ironically, the quasi-Guallist constitutional choice has stirred severe intellectual criticisms ever since, although it stood as a politically dominant institutional preference favored by the Kuomintang (KMT). With their mind-set constrained by classical theories in comparative government, scholars in the local community voiced strong opposition against the hybrid constitutional choice. Arguments developed mostly by western academics were widely cited. Yet few people question if the conventional wisdom is well grounded in local context, nor has anyone developed a new theoretical perspective on this issue.

The current hybrid system consists of a presidency elected by the populace, a subordinate premier appointed by president with no need of legislative approval, and newly emerged executive-legislative interactive games non-existed in the authoritarian period. Meanwhile, the new ruling elites downsize multiple levels of governments, privatize state enterprises, as well as propose to reinvigorate bureaucracy through reorganizing the state sector.¹ Within a bigger picture, the choice of a quasi-French-style government system is embedded in a political project aimed at redressing the institutional baggage left by political compromises produced by intense power struggles during the earlier transitional stage.

The purpose of this paper is to provide a preliminary examination of a hybrid system, the Taiwanese variant, which combines the Single-Nontransferable Voting (SNTV) electoral rule and hybrid presidentialism functioning in a multi-party system polarized on the fundamental issue of political identity. It attempts to shed some light on the political logic of post authori-

1 Multiple proposals aimed at reinvigorating government have been under serious discussions and planning within the Executive Yuan. The scope of restructuring includes reorganizing the central government, downsizing the provincial government, privatizing state enterprises, redistributing fiscal resources between central and local governments, and reforming civil service (*World Journal*, May 30 and June 5, 1998). Not surprisingly, these reforms are initiated by the executive branch under president's monitoring, since president has a national constituency, and the electoral incentives push him to initiate such kind of reforms that resemble to the provision of public goods.

tarian Taiwan. The plan of my argument is as follows: First, I will provide a brief review of theoretical discussions of the hybrid system and raise several theoretical questions with empirical reference to Taiwan. In the subsequent section, an empirical exploration will focus on institutions and governance. A closer look at the decision-making structure helps us unravel how much institution autonomy the hybrid system preserves for the executive in order to offset detrimental effects created by the electoral rule. I will draw upon an important policy issue, financial regulation and Taiwan's crisis management in the wake of the Asian crisis, as a focal point to demonstrate how institutional filters of the new system make a difference on economic policy-making. Finally, I will advance an ideologically unpopular but empirically well-grounded argument neglected by the current literature, and point out potential problems that require further reform to build an institutional foundation of democratic governance.

My argument can be summarized as follows: Given the preexisting electoral rule, SNTV, which has made the legislative branch the arena divided and captured by particularistic interests, the adoption of either a pure parliamentary or a pure presidential system would cause obvious and immediate collective action problem in major policy areas, particularly for those policies favoring the well-being of the general electorate at the cost of particularistic interests. Although more public-good oriented policies are often objectives of policymakers, their political feasibility significantly depends upon the institutional capacity of government structure for such policies to be initiated and implemented. Every government system has its inherited institutional logic that may facilitate or hinder its governing capacity in specific policy areas. Following this line of reasoning, the hybrid choice stands out as offering the possibility of sidestepping problem of decision-making paralysis evident in Japan, facilitating the command and coordination capability within the executive, and providing institutional incentives for politicians to address more public-good oriented policymaking and implementation. From this angle, Taiwan's hybrid system may work particularly well in managing a creative tension between representing competing interests democratically and effectively steering growth-oriented adjustments.

In sum, hybrid choice is political experimentation common among third wave new democracies. The differences among these hybrid cases reside in the degrees to which the executive authority and presidential power are separated from, while interacting with, parliamentary approval and control.

Electoral rules, government structure, and the configuration of party system all together account for institutional capacity of governance. The endeavor to piece together discrete political institutions and map general political logic is insufficiently undertaken by academics. Here I will mainly focus on the Taiwanese case; but tentative conclusions drawn from this single case study may provide a clue for exploring the broader range of hybrid cases.

II. An Uncharted Territory: Hybrid Regime Type and Its Economic Governance

A. Hybrid Regime Type: Worst of the Two Worlds?

The moment of national crisis or political upheaval usually opens a window of opportunity for major institutional creation or reforms. Political scientists thus believe that if we can seize the brief but crucial historical juncture to 'getting the institutions right' in transitional democracies, the chances of democratic consolidation and economic adjustment are likely to increase. The next question to be asked is what kind of institutional package should be promoted and prescribed to these countries. On the matter of regime type, the current literature has emphasized the superiority of the parliamentary system, although some authors offer cogent defense of presidentialism (Shugart & Carey, 1992; Mainwaring & Shugart, 1997a).

Part of the pitfall for new institutionalism is originated from the excessive institutional determinism. Among them, the presidency is an easy target. Analysts tend to blame it for all the failures such as political instability, economic crisis, social unrest, and so forth.² The oversimplified discussion of regime types needs to be replaced by a more sophisticated institutional analysis that would reveal the often contradictory political efforts in reconciling different games played by politicians and other institutionalized actors.

2 On blaming the strong presidency and an insulated technocratic team, the concept of "delegative democracy" coined by O'Donnell has been widely held as a standardized critique of transitional democracies in Russia, Ukraine, and other post-communist states. This particular institutional solution to the current crisis is also dubbed as "the Pinochet model." See Paul Kubieek, "Delegative Democracy in Russia and Ukraine," *Communist and Post-Communist Studies*, 27/4 (1994):423-41. Criticisms of the new constitutional arrangement in Taiwan mirror the similar line of reasoning, but labeling it as "populist democracy" instead.

The theoretical debates over presidential versus parliamentary rule are doomed to be inconclusive. One possible reason is that these debates often omit the effects other important institutional factors, such as electoral rules and party system, cast on the performance of regimes. Although many scholars have endeavored to fill in this gap (Jones, 1995; Haggard & Kaufman, 1995; Mainwaring & Shugart, 1997b; Tsebelis, 1995), my speculation goes deeper, however. The dichotomy of two ideal types may be the fundamental cause that restricts fruitful theoretical advancement. Under such a categorization, too many heterogeneous presidential systems are accommodated and forced into a category of "conceptual homogenization", to use the words of Fred Riggs (1994). Another awkward unfitnes applies to discussions of parliamentary regimes. Japan is no doubt a parliamentary system. Nevertheless, given its unique electoral system either before or after the rule change in 1994, the factionalized leading party and a highly fragmented party system, Japan's parliamentary system can hardly be relegated into the same world of Westminster systems. It is true that scholars can claim that each category is allowed to accommodate significant institutional variations. However, if the categorization can only capture the superficial similarity, but fails to catch on the underlying political dynamics, the generalized observation may be misleading.

With the incorporation of electoral institutions into discussions of government structure, four more elaborate types of political institutions emerge: presidential-plurality, parliamentary-plurality, presidential-PR, and parliamentary-PR (Lijphart, 1991). Still, more theoretical troubles were caused by the increasing number of hybrid systems, or in Shugart and Carey's (1992) terms, presidential-parliamentary and premier-presidential systems and their equally disturbing mixed electoral rules. These cases can no longer be written off as theoretically anomalous or dismissed as combining the worst of the two words just because they cannot fit into establishment. It may be the time to create a new conceptual road map for navigating through this uncharted territory.

In the limited literature on hybrid regimes, the French model is the most discussed. The interventionist state tradition and ceaseless experiments on constitutional models in France are distinctive among advanced democratic countries. The appealing influence of the Fifth Republic model to constitution makers in the third wave of democratization requires some further exploration of this unique system. There may be a variety of specific reasons for politicians in new democracies to choose to emulate the French

model. In a nutshell, “the Fifth Republic model’s enticing aura” may emanate from its “greater flexibility and executive authority” compared with the rigidity and potential deadlock the pure American presidential system entails (Keeler & Schain, 1997: 85).

In Taiwan, in the period of hottest constitutional debates in 1996, former president Lee Teng-hui made an interesting remark that mirrored the expectation new democracies hold of the French model:

“I have heard of the most of scholarly debates over this issue, but it is necessary for us to think beyond textbook cases. What can we do to reform our system to avoid some obvious governing problems that emerged in Japan and the United States? In recent years, Japan shows a general lack of effective leadership in tackling its urgent economic problems, while the deadlock caused by divided government in the United States illustrates a major weakness in American presidentialism. I will not reveal my own preference at this stage, but I am sure it will surprise many people.” (*China Times*, June 20, 1996).

His preferred constitutional model turned out to be a hybrid system, which provoked not just surprises but acute criticisms and pervasive disagreements. In retrospect, he was implying that the modified hybrid system was deliberately chosen to overcome the governance problems that established models entail. However, does the emerging government structure in Taiwan really generate the desired political dynamics that gives the hybrid system a competitive advantage over the more established models in specific policy areas?

The following analysis of the institutional package in Taiwan will try to provide empirical support to my theoretical proposition: the hybrid government structure aims at strengthening the executive authority so that it can gain an upper hand in dealing with the legislative branch. The structural bias in favor of executive authority centered around a strong presidency works best in pushing through public-goods oriented policies, such as national health care policy, comprehensive economic planning, and national security and defense policies. These policy areas are particularly vulnerable to be captured or vetoed by narrow and particularistic interest coalitions in the democratic context. To put it in another way, the institutional capacity for effective economic governance is the principal asset of the hybrid model, although some caveats should be spelled out and the strength of the hybrid

model is constrained by other institutional arrangements. Before turning to the empirical case of Taiwan, I will first review the current literature on political institutions and economic performances to illuminate how this single case study could contribute to the theoretical enterprise of institutional reform.

B. Literature on Political Institutions and Economic Performance

The issue concerning political institutions and economic performance is not new.³ The East Asian developmental model in its heyday fueled the debate and injected a fresh perspective on this matter (Johnson, 1987; Chu 1989; Haggard, 1990; Evans, 1992; 1995). As Yun-han Chu (1989: 656) well puts, “proponents of the developmental state view explicitly characterize the East Asian countries as states that possess a highly elaborate, resourceful, and centralized administrative apparatus for effectively implementing national planning priorities and administrating direct and indirect control over the industrialization process.” Yet he went further by suggesting that “the institutional characteristics of the ‘developmental state’ should be carefully disaggregated in order to examine the enabling and constraining roles of the various aspects of state structure . . .” There remains a great need for “more extensive conceptualization, empirical investigation, and informed analysis” to establish the linkage between institutions and performance (Peters, 1988: 3).

Moreover, as political democratization and economic liberalization proceeded in East Asia, an old concern addressed by Huntington (1968) three decades ago took on a new form: would democratization turn these countries from strong authoritarian states into weak democratic ones, thus undermining their institutional capacity for economic governance? (Huntington, 1968). While recognizing important impacts that basic government system is supposed to have on a nation’s political economy, scholars so far have only come up with mixed and scattered findings about the effects of the different regime types on policy-making, policy outcomes and broader economic management (Kernell, 1991; Weaver & Rockman, 1993). If the hybrid model could be improved with potentials for evolving into a workable political economy, the lesson should be also useful for those countries that

3 On the earlier literature on advanced industrial countries, see Peter Hall, *Governing the Economy* (New York: Oxford University Press, 1986); and John Zysman, *Governments, Markets, and Growth* (Ithaca: Cornell University Press, 1983).

evolved from the similar legacy of a party-state system.

III. Institutional Matrix and Underlying Political Logic

The incremental institutional restructuring since the early 1990s has left many political observers in confusion. Without a sudden or complete rupture with the authoritarian past, Taiwan's quasi-party state system has undergone a silent transformation. Due to the lack of consistent constitutional principles, the process of constitutional reconfiguration had been understood from perspectives of dirty political wrestling and deal-making out of expediency. The institutional "patchwork" has left constitutional scholars bewildered.

I suggest that beneath the turmoil, however, there exists a logic underlying these messy and incremental institutional adjustments: a political choice to preserve some of the institutional foundation for effective governance. In a broad brush, the sequence of institutional restructuring worked in opening free elections in representative institutions, strengthening legitimacy and leadership of the presidency through the direct election, and finally aiming at creating a government system based upon the principle of executive dominance that consists of a centralized hierarchy from president, premier and his cabinet, and the standing civil service. The four-tiered central-local government structure was also downsized in 1998 by eliminating the redundant functioning of the provincial government.

The 1996 presidential election was a watershed. As the dust of the power struggle settled, political winners and losers all figured out their institutional niches in the new political game. Smaller parties, such as the New Party, realized that their political chance in winning offices resides in the representative institutions only. The majoritarian institutions such as the presidency and executive posts in local governments belong to contests between the KMT and the Democratic Progressive Party (DPP). Only those political forces or parties, which are likely to face the challenges of national governance as well as demands from a nation-wide constituency, must mull over institutional issues from the perspective of national purposes in spite of short-term power struggles. Concerns for collective goods such as creating a polity for effective governance become the natural extension of these politicians' self-interests. This is where the critical juncture of political transition ends and the everyday politics begins. The logic of power struggles subsides and the search for national purpose arises.

The institutions and practices of the Taiwanese political economy in the authoritarian period ironically inspired the institutional restructuring in the democratic setting. With the help of hindsight, some political institutional arrangements in the authoritarian regime, such as an insulated bureaucracy, deliberately established to secure powers for privileged rulers and exclude the ruled from accessing political machinery, evolved into a “clever” institutional device for the purpose of developmental planning, as numerous experts have pointed out. That something starts with evil intention may create good results is wisely said by Goethe; by the same token, something that appears negative and chaotic on the surface may create orders in an unanticipated fashion. The encounter of the SNTV for electing the legislature with a quasi-French hybrid government system may provide such an example.

A sequence of institutional reforms helps uncover the political logic behind the seemingly confusing institutional arrangement. In the process of political opening, the legislature was the first democratized institution. The presidency was not bestowed political legitimacy from popular suffrage until 1996. Given the electoral incentives of SNTV, politicians who seek national legislative seats are compelled to develop a personalized support network with targeted voters, and more importantly, with financially abundant special interests in order to receive enormous campaign funds. The newly opening political space also means that any political and economic interests who either strive to influence policy or seek rents cannot solely count on the old institutionalized channels with the ruling party machine. Penetrating the emerging legislative institution and building reciprocal relationships are necessary for special interests to play the democratic game. A well-known fact about institutions is that as soon as the political arena is opened, new constellations of interests quickly find their institutional homes, figure out how to influence politics and policy. Consequently, new institutional vested interests soon replace the old ones and crystallize.

Researchers on Japan’s old electoral system find that the SNTV had well served the ruling party, LDP, and contributed to its long-term political domination. If so, the same electoral rule for filling the legislative seats in Taiwan should work in favor of the ruling KMT. However the KMT also notes that some political and policy consequences of the SNTV (to be explored later) would undermine institutional powers of the president, the executive branch, and party leadership. Also, the strengthened legislature and its complicated political connections with powerful economic interests sent an

alarming message to the party leadership and executive branch and prompted them to launch a counteroffensive. The pre-existing electoral institution and its impact on the composition of the legislature had alerted decision-makers in the KMT to potential problems inherent in the Japanese model.

SNTV is a colonial imprint left by the Japanese. Given the preexisting SNTV, had Taiwan chosen a parliamentary government structure, the institutional package would have functioned as it did in Japan. Why did the reforming KMT not follow suit in this regard? I propose that in adopting a parliamentary system, the legislative branch would naturally become the bastion of “parliamentary sovereignty” from which premier is chosen and cabinet is formed; the long-standing leaderist decision-making structure in the KMT would have no doubt been undermined. The institutional superiority of the executive over the legislature and the insulated bureaucracy would have been reversed too. To put it differently, the political logic of parliamentary politics would have stripped away the party leadership and executive authority’s control over legislators. Nevertheless, politicians’ self-interested considerations accidentally avoided major collective action problems had the Japanese governmental structure been adopted.

The emerging literature on the “dark” side of Japanese politics deserves special attention here because its electoral rule before 1994 was identical with Taiwan’s, and demonstrates the even worse combination of SNTV with parliamentary government. This literature focuses on how politicians exert influence on economic bureaucracy and how money politics rooted in the electoral institution and political bargains among faction leaders have permeated the decision-making process. The financial crisis since 1997 stimulated further reflections on the institutional foundations of the East Asian developmental model.

My focus here is on how political institutional arrangements can make a difference in economic management. In the following analysis, I will first explore the political logic and policy consequences of SNTV by citing findings in both Japanese and Taiwanese contexts. With the same electoral institution as the starting point, the difference between Japanese parliamentary government and Taiwanese hybrid structure can be distinguished and compared.

A. Political Logic and Policy Consequences of the SNTV Electoral Rule in Japan and Taiwan

The single-nontransferable voting system (SNTV), adopted in Taiwa-

nese local elections long before complete democratization has created a personalized patronage network that serves the functions of raising political funds and mobilizing well-targeted followers in winning seats. This electoral rule is notorious in its requirement for huge campaign expenses that render candidates heavily reliant on connections with powerful business groups for funding and local factions for votes (Cox & Thies, 1998). Consequently, once elected, local politicians must deliver special favors to both special interests and local factions in forms of allocating budgets in local public construction and lobbying for privileged groups in getting licenses or permission in special economic activities. Pork-barrel politics of this kind goes hand in hand with the possibility of squandering resources and economic inefficiency.

The same pattern has existed in Japan for even longer and became heavy baggage for the conservative Liberal Democratic Party (LDP). As T. J. Pempel notes, "continuous high growth was essential to maintaining such costly economic inefficiency" (Pempel, 1998: 65). In other words, an expanding economic pie is necessary to sustain this distributive democracy based on political bargaining. The historically created electoral institution serves factional leaders well in dividing political resources and maintaining the political status quo (Ramseyer & Rosenbluth, 1995). Its capacity for accommodating smaller parties in representation enhances political stability and thus entails an implicit effect on power sharing among all players in the political market. It is no wonder that unless a severe economic crisis hits or the fundamental political landscape shifts, there would be strong inertia and resistance to changes incurred by this electoral institution.

In Japan's parliamentary democracy, the same representatives who were elected under SNTV chose the premier and formed the cabinet. More specifically, factional leaders within the LDP maneuver behind the scene in rotating political positions and influencing policies through cutting deals and delivering goods. Generally speaking, Japanese democratic institution is basically decentralized, fragmented, and distributive (Pempel, 1987; Richardson, 1997). The division of labor in this institutional configuration can be roughly described as economic bureaucratic officials charged with facilitating economic growth and politicians focusing on distributing political resources. No matter how Japanese cast their votes, the same group of factional leaders and their followers rotate and reshuffle among themselves.

With regard to public policy, the LDP's Policy Affairs Research Council's system of standing committees fragments policy-making authority and

steers public policy in a highly particularistic and personalized direction (McCubbins & Rosenbluth, 1995: 35). The leadership structure in Japan puts its prime minister in a “reactive” position (Hayao, 1993: 3) in this fragmented and decentralized policy-making process. Prime minister hardly undertakes radical policy changes and initiates political moves to break down the establishment. In short, the Japanese democratic institution lacks an agent of change and strong leadership.

The tendency of SNTV to produce particularistic policies endorsed by elected politicians in favor of narrow special interests is not mitigated by other institutional checks and balances given that the executive and legislative branches are mingled. The inherent structural corruption between politicians and special interests could be countervailed only by sustained economic growth. Once economic growth slows down, this distributive model is endangered. There is no institutional mechanism to overcome the continual reproduction of structural corruption, even when the political and economic problems are clearly revealed, and the necessary policy correction is urgent. Paralysis and indecision tend to prevail under such circumstances. This structural weakness was exposed as Japan failed to restructure its banking system for more than a decade. It is where government structure stands in separating the Taiwanese system from the Japanese one.

B. Government Structure as a Countervailing Institution in Taiwan

The hybrid presidential system in Taiwan intended to emulate the French interventionist state in maintaining a dominant executive branch vis-à-vis the legislature. In contrast to the pluralistic fragmentation in Japan's executive branch (Pempel, 1987), the Taiwanese government structure was designed to facilitate a centralized system of control and coordination led by the president. The centrifugal and fragmentary forces represented by legislators are countervailed by a clear hierarchy: president-premier-cabinet-bureaucracy. The elected president nominates his premier, then together they appoint cabinet members who supervise the standing bureaucracy.

The hierarchical structure is consolidated around a unified center of power: the presidency. Since the latest constitutional revision abolished the Legislative Yuan's power in approving the nomination of the premier, president no longer needs to worry about congressional support in the appointee. The practice in the KMT period demonstrated that president tends to appoint economic technocrats to form the cabinet, partly in consideration of

the importance of economic expertise in leading the executive branch. More importantly, the technocrats' lack of political resources and electoral support can provide the president with a leverage in eschewing potential competition or confrontation between president and premier. Such an arrangement, if consolidated through continuous practices, will reinforce the element of presidential domination in the hybrid model.

This structure of government creates different incentives for president, premier, legislators, and bureaucrats from the Japanese and American counterparts in playing politics and formulating policies. The SNTV electoral rule has preordained that the legislative branch is composed of representatives who "specialized" in targeted economic areas in passing related laws and serving their key constituency: the special organized interests. A decade of democratic experiments has crystallized this pattern of strategic alliance between elected politicians and powerful big business. A survey showed that a significant proportion of legislators are stockholders of big business groups, private commercial banks, local financial institutions, or owners of specific enterprises themselves (*The Journalist*, 1999, January 14-20: 53).

A complicated network of cronyism, which used to be cornered in the local economic activity, has turned nation-wide. A huge portion of candidates supported by local factions get elected into the national representative institution. They have aggressively extended their investment into a broader business empire that is built upon their newly gained political resources as Congressmen. They can mostly be identified by their special connections with interests in construction, telecommunication, finance, land speculation, etc. The electoral rule provides legislators little incentives to cultivate interests and initiate actions in more public-interest oriented policy areas. Worse still, the informal distributive alliances between elected legislators and organized interests have enabled the latter to veto government actions that are unfavorable for them.

The president-centered hierarchical structure of the executive branch functions as a counteracting institutional arrangement. With a nation-wide constituency interest in mind, the president is the most likely political player to be active in facilitating innovation in public policy, exercising coordination among conflicted priorities, and exercising command in overcoming defection in collective actions. Quite contrary to the reactive role played by the Japanese premier, the Taiwanese president has showed strong leadership. The "horizontally integrated" and "vertically centralized" (Thomas, 1988: 138) decision-making structure in Taiwan deliberately es-

chewed the American “purposely fragmented” public authority as Terry Moe puts it (Moe, 1990: 229). President does not attend the cabinet meeting chaired by the premier, but by directly controlling the power to nominate and replace the premier and influencing the cabinet reshuffling, the president maintains a system of concentrated executive authority. An insulated technocratic bureaucracy led by the premier who does not have his own electoral base, thus heavily relies on the president’s political support. Appointed cabinet members and career bureaucrats are under constant supervision and evaluation based on their performance in efficiency and policy implementation, thereby are less likely to be completely captured by their clientele in organized interests.

The “de-politicization” within the hierarchical executive aims at decreasing the chance of detrimental political competition between president and premier that would fragment the decision-making process and create complicated lines of authority. The strong centripetal incentives generated by presidential control and command also help mitigate problems of “factionalization” and “compartmentalization” within the economic bureaucracy. Since the nomination of premier no longer requires legislative approval, the president is not constrained by the need to cut political deals to please legislators in exchange for their support of president’s appointee. Therefore, senior technocrats with expertise on economics but endowed with little political clout are ideal candidates for premiership under the new system.

The hybrid arrangement is unique at least on one thing: the general political dynamics is not fixed but shifting. In the case of divided government, when the presidency and the parliamentary majority belong to different political parties, the president may have little choice but to appoint his premier from another party. This possibility will cast great uncertainty in how the hybrid presidentialism works out. In the circumstances of “co-habitation” or the divided executive, who controls the cabinet will be highly situational, depending on political negotiations. The distribution of power among bureaucratic agencies may undergo transformations as result of competitions between the president’s and premier’s cliques. The potential problems created by the situation of divided government emerged in the first one and half years of Chen Shui-bian’s presidency. I will address this particular challenge in a separate section later.

One may contend that the potential of “institutional ambiguity” inherent in the hybrid model may be prone to political instability. Yet this system

may survive exactly due to the mechanism of “balance of terror,” given that the president has power to exercise the “vote of no-confidence.” In other words, “mutual deterrence” may prevent any institutional player from taking destructive initiatives or turning disagreements into outright deadlocks. It may even foster, in the best case scenario, the emergence of an institutionalized mechanism of political negotiations and mutual concessions in executive-legislative interactions. The flexibility and mutability of the hybrid model may paradoxically provide the new democratic regime with greater adaptability to political uncertainties than pure presidentialism does.

The above analysis illuminates the underlying political logic of Taiwan’s new constitutional arrangement. The government structure is designed, unintentionally or deliberately, to preserve institutional capacity in counteracting the fragmented legislature. It prevents the “Olsonite distributional coalitions” from capturing both the executive and the legislative. It also provides institutional incentives for the president to break down the policy status quo when a radical policy shift is required for handling political and economic crises.

IV. SNTV-Hybrid Presidentialism and Economic Governance: The Case of Financial Crisis Management in 1998–99

A. Overview

The Asian financial crisis that first erupted in Thailand in July 1997 has spread to the rest of Asia and even farther to Russia and Brazil, causing global concerns about currency instability, financial meltdown, deep recession, and the possibility of long-run deflation. Having stood well in the peak of this crisis in 1997, Taiwan did not completely escape the storm. Beginning in October 1998, a wave of corporate financial crisis took place among several big business groups. From then on, the structural weakness in its financial sector and corporate governance keeps unfolding. So far there have been about 20 big business groups in financial troubles, two security companies being restructured by banks, and the ownership of one private bank transferred to a KMT-owned investment company. In February 1999, the Economic Research Bureau of the Central Bank officially admitted that an “endogenous financial storm” was happening in Taiwan, which could have erupted even without the triggering event of the Asian crisis (*World Jour-*

nal, February 7, 1999).

The corporate financial troubles conceal deeper structural problems that are quite similar to Japan. Most of these troubled business groups have their roots in construction industry and enjoyed their close political connections with politicians, particularly legislators. As in Japan (Woodall, 1996), construction interests have occupied a critical place in pork barrel politics in Taiwan. Taking advantage of the asset bubble in the past few years, they have aggressively made use of various financial leverage to raise capital, including indulging in the land and stock market speculation, using shares and real estate as collateral to borrow more from banks, and then creating more subsidiaries to venture into unrelated businesses. The bubble burst in stock and real estate markets put both these enterprises and the lending banks in hot water. If not promptly handled, the crisis would soon spread to endanger the whole banking sector. The cumulated non-performing loans would generate effects of credit crunch, then the small-and medium-sized business would fall victim. Moreover, the delay in cleaning up bad loans and restructuring banks will eventually require the government to inject huge public money to fix the financial rot as recently seen in Japan.

Prudent regulation of the financial sector, therefore, could be viewed as a public good subject to the collective action dilemma. The general public could benefit from the efficient and open banking sector or suffer from the moral hazard problems caused by the corrupt, but powerful, financial interests. However, the provision of this public good must confront many other political, economic, and institutional factors that impinge upon government action. The financial sector in Taiwan had long been regarded as a highly repressed one over which the state exercised strong commands and imposed strict, and sometimes rigid, control (Cheng, 1993). How would this highly controlled system suddenly reveal itself with many structural deficiencies in over-expansion of credit and the lack of supervision?

Analysts have been searching for answers to the causes of and prescriptions for financial mismanagement in Asian countries from wide-ranging perspectives, and calling for strengthening financial regulatory structure, improving corporate governance, reforming crony capitalism, eliminating foreign capital controls, etc (Woo-Cumings, 1998; Goldstein, 1998; Jackson, 1999). By delving into the past decade of financial service liberalization in the context of political democratization, I focus on how the new governing coalition emerged in the post-authoritarian period and institutional sources of money politics have given rise to a form of structural corruption among

politicians, conglomerates, and banks. I examine the composition of the governing coalition and explain why the SNTV electoral institution induces politicians to maintain and reinforce this strategic alliance to meet their political ends. I contend that political dynamics to initiate a structural change and sustain long-term reform will have to be derived from some forms of administrative arrangements that could maintain a balance between distributive politics and technocratic rationality. Taiwan's policy responses to the Asian crisis may provide useful clues in how governmental structure could be designed for strategically offsetting rent-seeking behaviors and distributive demands, thereby enhancing the prospects of the public's well-being.

B. Governing Coalition and Structural Corruption

As I pointed out before, local factions and big business groups have constituted the key constituencies for the KMT elite to maintain political domination in the 1990s. The composition, policy preferences and material interests of the governing coalition are naturally manifested in public policy profiles. In the past, the deliberate distance created by mainlander elites toward native capitalists had maintained an insulated economic bureaucracy functioning under the guidance of a coherent statist ideology. Political democratization opens the door for the convergence of native Taiwanese political power and economic resources. The competitive electoral politics facilitates the formation of an intimate political alliance among politicians, local factions and big business groups. As cronyism⁴ is introduced into the public sector, sound economic governance is in jeopardy.

4 "Cronyism" has become an encompassing concept to blame for the Asian crisis. Some cautions are warranted here. The term of cronyism implies a cross-the-board rejection of non-western ways of doing business in Asia. However, before the Asian crisis, many elements in Asian entrepreneurship have been praised by westerns as highly innovative, dynamic, and flexible, such as Chinese family business. Cronyism should not be readily equated to corruption only until the fine line of government-business collaboration is broken down by the failure of regulation from the government. See Meredith Woo-Cumings, "All in the Family: Reforming Corporate Governance in East Asia," *Current History*, 97/623 (1998): 426-30. On the differences between Anglo-American and Japanese corporate governance, see W. Carl Kester, "American and Japanese Corporate Governance: Convergence to Best Practice?" in Suzanne Berger and Ronald Dore (eds.), *National Diversity and Global Capitalism* (Ithaca: Cornell University Press, 1996).

Furthermore, the gradual economic liberalization has created rent-seeking opportunities for big business groups to seize the economic pies released from the state sector. Financial service liberalization, telecommunication deregulation, and state-enterprises privatization are among the most profitable areas. The economies of scale in these newly liberalized areas make smaller business hard to enter and compete. And the government also holds the release of licenses and permission as political goods to reward or punish its strategic partners. The opening of commercial banks market to the private interest since 1991 has created another revenue for big business groups: now big industrial interests have their own banks! As shown in Mexico, "when banks and manufacturers are linked by cross-ownership and even run by the same families, the interests of large industrial firms cannot be neatly separated out from those of financial firms" (Kessler, 1998: 42). Among the sixteen new private commercial banks set up in the 1990s, only one of them is not owned by big business groups (*The Journalist*, January 14-21, 1999: 33). The euphoria of democratization, liberalization, and privatization recedes once institutional underpinning of good governance is undermined. Ironically, a more prudent regulatory authority is in more urgent need in the liberalization process to ensure distributive justice and curb oligarchical concentration.

In the semi-liberalized and semi-protected financial system, the banking sector and the equity market have provided incentives for unproductive rent-seeking behavior, which is mostly speculative and irrelevant to enhance industrial production and export competition. The financially aggressive and highly leveraged conglomerates that have been nurtured by political democratization and economic liberalization rely heavily on easy money raised through stock, land, and political connections. Big business groups' strategy of survival and expansion has been creating huge conglomerates to maximize their bargaining power vis-a-vis the government. On a closer look, most of these conglomerates emerge in local oligarchical economy, prosper from blind expansion in inward-looking industries, but hardly possess competitive edges in globalized industries such as high-tech industries.

The configuration of interests in the pro-business conservative coalition has, consequently, enabled big business groups better access to national decision-making institutions than numerous smaller but efficient enterprises, let alone other weaker societal actors, such as labor and consumers. The legislature has already given the public negative images on flooding with partisan squabbles, personal attacks, mutual accusation and empty

promises. The collusion between legislators and big business groups in pressuring the executive branch to change the contents or directions of important policies in their favor is common. Important legislations concerning economic development and social policy that were drafted and submitted by the executive branch have been delayed for approval by legislators just because they may affect major business interests and a final compromise is too complicated to strike (*World Journal*, July 22, 1996, A6).

As Linda Weiss concisely puts, "In Peter Evan's formulation, the state can have transformative capacity only while capital remains in a relatively dependent-subordinate relationship to the state. Ironically, perhaps, this may be why Evans leans towards the view that the transformative states of East Asia are destined to have a short shelf life. Embeddedness is both their strength and their eventual undoing; by making capital strong they bring about their own gravediggers" (Weiss, 1998: 37). This may appear too pessimistic, however. Fortunately, the institutional sources of money politics and structural corruption could be checked by well-designed counteracting institutions. A legacy left by authoritarianism could be enlightening in terms of figuring out anti-corruption stipulations against bureaucrats' collusion with their clientele.

The following section will make comparison between Japan's and Taiwan's policy responses to the similar financial problems by tracing their roots to different government institutions.

C. Similar Structural Problems, Different Government Responses: Taiwan and Japan Compared

The choice of these two cases also comes from the consideration that both Taiwan's and Japan's current financial problems are largely derived from "homegrown" mismanagement with little foreign borrowing or foreign capital disturbance. In other words, both governments recognize the predominance of domestic factors that gave rise to crisis. Also, in contrast to Indonesia, Korea, and Thailand, who must rely on international financial institutions for capital injection, both countries have sufficient financial resources of their own to tackle the problems if both governments take on a swift and thorough course of actions.

Japan's bubble burst in 1989 first revealed problems in the banking system. The lapse of time between the emergence of the problem in the early 1990s and the final resolution in 1997-98 demonstrated a long period of procrastination. The response from the Japanese supervisory authorities had

been principally that of forbearance, permitting the weak institutions to remain in operation with an expectation to “grow” their way out of the mess, thus avoiding the difficulties of actually forcing failed banking to go into bankruptcy (Hager, 1998: 13).

Analysts locate the underlying institutional cause for this regulatory failure at the old electoral rule SNTV before 1994 and expect more decisive actions taken by politicians after the change of electoral rule (Rosenbluth & Thies, 1998). They argue that SNTV had produced strong incentives for LDP politicians to formulate “economic policy riddled with cozy deals for many business sectors” (Rosenbluth & Thies, 1998, 23). In dealing with the financial sector, the LDP-business-bureaucracy triangular relationship had hesitated in initiating swift clean-up and restructuring measures. It was by no means politically rewarding for major players to take such policy leadership and responsibility, therefore only severe crisis condition or/and strong external pressure could force substantial policy changes. It is no surprise that Japan finally resorted to the establishment of independent bank regulatory authorities, the Financial Supervisory Agency (FSA) and Financial Reconstruction Commission, to steer the long-overdue financial restructuring. Despite the reexamination of Japan’s economic model, Japanese politicians and academics have begun to reflect on the more fundamental issues of political reforms concerning electoral institutions, party system reorganization, politicians-bureaucrats-business relationship, and so on.

By contrast, the combination of SNTV and hybrid presidentialism in Taiwan has shown a stronger institutional momentum to initiate policy changes than Japan in dealing with the Asian crisis, although a series of policy measures announced and adopted by the executive branch since November 1998 contained the mixed components of appealing to short-term business interest as well as long-term restructuring efforts of the banking sector. “If one accepts the proposition that indecisive, stalemated government can place the nation in peril-and that those risks outweigh the danger that decisive government will make unwise decisions” (Sundquist, 1986: 240). In this regard, Taiwan’s political institutions perform better than that of Japan in overcoming policy impasse.

The crisis emerged on the eve of the 1998 Legislative Yuan election. Oddly enough, such a scale of domestic crisis did not become a campaign issue for candidates from both the KMT and other opposition parties. As stated before, SNTV discourages candidates from cultivating policy campaigns concerning broad range of interests. Nor did any candidate risk

exposing structural problems, which are in part of their own making, in that they either participated in pressuring banks for crony lending or relied on political donations from big business and financial interests. More surprisingly, several KMT-nominated candidates, who are heads of troubled business groups, including Chu An-hsiung and Liu Bing-wei, plunged in winning seats during the crisis rather than handling their huge debts. They expected that, once elected, political resources would help save their empires. The legislators' (opposition parties included) disinterest in economic policy seems to demonstrate a policy inertia and a lack of capacity of economic governance.

The executive branch's bailout package revealed a difficult search for a delicate balance between political and technocratic rationalities. A rescue team, including officials from ministries of Finance, Economic Affairs, Central Bank, the Council for Economic Planning and Development (CEPD), mediated between troubled enterprises and banks by exerting administrative authority on banks' decisions of rescheduling debts and extending loans to prevent credit crunch. Troubled businesses were asked to disclose their financial accounts and present concrete plans of corporate restructuring. A few independent economists were recruited into the team to increase credibility and objectivity of the evaluation process. Such a case-by-case bailout approach sent a clear message to big business interests that, no matter how cozy relationships they have built with political elites and government agencies, there was still a fine line to draw between the state and business interests.

In dealing with the corporate debt crisis and the distressed banking sector, the swift and massive government intervention was the only solution to overcome a "prisoner's dilemma" faced by individual banks. As Clive Crook of the Economists pointed out (quoted in Kapstein, 1994: 88), "It was in the interest of every individual bank to avoid new lending. But if every bank put that view into effect, the debtors' shortage of capital would have been so severe that it would have left them with literally no choice but to default—and that would have turned the banks' risk into a banking catastrophe." In overcoming the potential defection by any individual banks in the bailout process, strong political commitment and straightforward commands from the president and the premier have been crucial in helping bureaucrats stay tough, while at the meantime skillfully concerted in employing both persuasion and coercion to keep the banks in the lending game.

On the other hand, the short-term crisis management and stabilization

plan cannot completely fend off strong pressure from big business groups, construction industry interests, and the KMT legislators. The executive branch set up a "Stock Market Stabilization Fund" under which NT\$283 billion (about US\$8.6 billion) was raised from postal saving system, government pension fund, labor insurance fund, private and public banks, insurance and securities industries to prop up share price (*World Journal*, November 17,18,19,20, 1998). Critics said that this is to squander the public's money to ease bubble burst pains for the over-expanded construction industry, Central Bank injected NT\$15 billion for mortgage loans and lowered mortgage rate to reinvigorate the property market.

Fortunately, the delivery of these special policy favors to privileged interests was complemented by broader interest-based policies with longer time horizon, mainly designed and proposed by an insulated economic planning agency, CEPD. A special fund of nearly NT\$160 billion (US\$4.8 billion) was set up to provide emergency loans for numerous small- and medium-sized enterprises, despite that they have neither political resources nor capability of collective actions to lobby because of their number and size. Moreover, in February 1999, the premier then, Vincent Siew, announced a series of policy measures concerning fundamental structural reforms. First, the government decides to upgrade the administrative status of the "Securities and Futures Commission" to the ministry level, delegate it with the power of investigation and endow it with independent budget immune from legislative intervention. Second, the Ministry of Finance will take on the task of facilitating banking mergers and revising the Banking Law on separating banks' ownership from their professional management. Third, the regulatory authority will undertake measures to discipline financial markets by requiring more transparency and information disclosure about corporate finance, and by imposing limits on complicated cross share-holding among enterprises.

Although some of these policy announcements cannot be carried out until the related bills are modified by the Legislative Yuan, the executive branch has enjoyed far more policy leeway and decree power than that of Japan. Had parliamentary system been in place, the style of crisis management and contents of policy measures would have been quite different. Although party discipline is usually stronger in parliamentary democracies than in presidential ones, this rule may be subject to caution under the circumstances that the political consequences of the SNTV is inclined to create multi-party system in which policy stances of major parties tend to suf-

fer from factionalization (Cheng & Haggard, 2001). Elected politicians tend to bargain for targeted constituencies at the cost of comprehensive policy packages.

The policy profiles examined here in dealing with the Asian crisis reflect the government's strenuous efforts in reconciling conflicting political logics inherent in the combination of SNTV and hybrid presidential system. If drastic restructuring and status quo impasse constitute two poles of policy responses to the Asian crisis, Taiwan stands in the middle struggling to accommodate broad interests while maintaining autonomy of coherent policymaking process. In the process, the president has intervened in setting agendas for politically difficult structural reforms, such as the mandate on enforcing bank mergers, and backing up controversial policies, such as delivering tax reductions to the banking sector in helping boost profit and write off bad loans.

Regardless of the distributive consequences these policies brought about, the presidential palace has become a location for policy charges within the overall institutions. Presidential involvement in economic policy during this crisis has constantly invited criticisms, but the high political stake along with the president's explicit policy stance also make him exposed to public scrutiny and ready to take clear responsibility for his initiatives. Within the hierarchical executive structure, bureaucracy's policy inertia has been overcome, and the agency problems arisen from close interactions and cozy relations between government agencies and their clientele are under checks.

V. Caveats: Divided Government and the New Situation after May 2000

Critics may ponder that Taiwan's hybrid presidential system works only under specific conditions: the KMT's dominance of the party-state or the unified government under which one specific party simultaneously controls the executive branch and assembled the legislative majority. Before May 2000, these favorable conditions have ensured that the KMT's party machine orchestrates the political process of policy negotiations between the executive and the legislative. The party chairmanship also endows president with extra commanding powers in pushing through his policy initiatives.

The cast of doubts and caution against the hybrid model is warranted.

Nonetheless, had the KMT remained in total control, the true color of the hybrid model would have never revealed. As also shown in other new democracies, the hybrid model is a political experiment that leaves rooms for learning, practices and negotiations in order to consolidate its functioning principle. The French Fifth Republic's constitutional arrangement was not fully consolidated until it had gone through three times of co-habitation.

Therefore, it is a crucial test for the hybrid presidentialism to demonstrate its institutional resilience to weather the tough challenges posed by the new situation: divided government. After the March 2000 presidential election, the DPP won the presidency and had to live with the legislative majority controlled by the KMT. The first challenge came with the nomination of premier. The DPP went on nominating Mr. Tang Fei to sidetrack sharing executive power with the KMT. Later on, the controversy over the fourth nuclear power plant forced President Chen to pick up his own premier, Mr. Chang. With no need of parliamentary approval, the DPP could exploit the constitutional ambiguity by forming the cabinet of its own.

Constitutional experts, political analysts and even politicians themselves quickly find an easy target to blame for: the hybrid model is held culpable for all the political mess happened ever since, including the recall move made by the oppositional alliance and constant partisan standoff. But in a deeper reflection, is the hybrid model the "institutional roots" of the political chaos? Had Taiwan adopted the American style of presidential system, the outright confrontations between the executive and the Congress may be equally severe. Had Taiwan adopted the parliamentary system, as the main thrust of my argument goes, Japan's fragmented and paralyzed polity is on the horizon. As long as the executive and the legislative branches are controlled by different political parties, that is the case of "divided government", the uncertainty and possibility of potential conflicts are there. Whether the system works depends on formal and informal mechanisms to solve constitutional conflicts that almost exist in any type of government systems.

According to the underlying logic of hybrid presidentialism, in the case of divided government, president should choose his premier from the majority party in the Congress. This concession helps pave a way for building up a ruling coalition with the Congress. The biggest opposition, the KMT, would have had a stake in the effective operation of the cabinet. This would also significantly reduce the probability that president's important policy reforms being completely sabotaged. Sharing powers with the majority

party in Congress in forming cabinet may diminish president's complete control of personnel, yet alternatively, conducive to the formation of a ruling coalition in which president can still negotiate with the opposition to push through his top-priority policy agenda. Unfortunately, President Chen played against the institutional logic of the hybrid system from the very beginning. He did nominate a KMT premier, Tang Fe, but in a purposeful fashion aimed to undermine the KMT's solidarity rather than striking a genuine political compromise and power-sharing. The next nominee, Mr. Chang, a DPP member, was destined to be fallen a victim caused by unwise political judgement.

Many critics have blamed the hybrid model for lacking institutionalized solutions to the current impasse. They argue that, unlike the French case, president in Taiwan cannot dissolve the Congress until a vote of no confidence is passed in the Congress. However, can a new election produce a clear majority in Congress definitely in the context of Taiwan? As I have argued, the current electoral rule, SNTV, tends to create and maintain a multiparty system. Moreover, the extravagant campaign finance required under the SNTV may prohibit politicians from resorting to the measure of no-confidence vote. Consequently, president is also restrained from the abrupt dissolution of the Congress. The mutual restraints would, in effect, result in a situation of "balance of terror." Under such a circumstance, flexible bargaining and compromises may be more realistic than appealing to formal constitutional solutions in dealing with stalemate. This could be the advantage of the hybrid model.

As situation evolved, the KMT withdrew its recall move against president and budget bill was passed. The institutional component of "mutual deterrence" works here. If the case of divided government is the worst weakness of hybrid presidentialism, one may ask: Is pure presidentialism immune from political gridlock? The answer is clearly "no". Is parliamentary system a cure? Looking at Japan would provide us a clear answer: No, because forming a parliamentary government would always create political mess given the multiparty configuration with no clear majority in Taiwan's legislature, as the 2001 parliamentary election result showed. Therefore, in face of a fragmented and polarized congress, it is even more important to maintain a centralized and hierarchical executive apparatus in which government formation is conducted with a clear line of authority: president-premier-cabinet-bureaucracy.

In the final analysis, even in a seemingly constitutional dilemma, the

DPP government has so far taken on some important measures for structural reform, such as combating “black gold” and undertaking financial reform by passing new laws in governing financial restructuring. As my argument states, in Taiwan’s hybrid system, president is more likely to take the broader public interest into account given that he is elected by a national constituency. Therefore, the oppositional legislators may not necessarily boycott president’s reform agenda since they have to consider the possibility of backlash on their own chance of reelection. In sum, hybrid presidentialism in Taiwan entails the greatest flexibility to accommodate political changes. Its smooth functioning depends more on political practices than on strict constitutional context.

VI. Conclusion

My analysis of Taiwan’s hybrid presidentialism offers a different perspective to regime type debates in which academic attention has been concentrated on its impacts on political stability, party system configuration, democratic consolidation, and fear of majoritarian tyranny, etc. (Chou, 1995; C. Lin, 2000; J. Lin, 2000; Wu, 2000; 2001). Taiwan’s new constitutional framework incorporates elements such as strong presidency, the executive dominance, and centralization of power, which may well invite concerns from the Anglo-American constitutional tradition. However, these institutional arrangements function in balancing distributional and technocratic logics, as well as safeguarding the executive branch from particularistic interests’ capture and rent-seeking. It also significantly increases the executive capacity to launch broadly based policy initiatives that could challenge established veto coalitions.

Instead of focusing on the potential negative consequences of hybrid presidentialism, such as presidential dictatorship and majoritarian tyranny, I argue that this unique regime type could be carefully designed to prevent the abuse of power by any single institutional actor, meanwhile performing well in economic governance, a key issue faced by all transitional democracies. In the words of Mancur Olson, majoritarian institutions are likely to have an “encompassing characters” that provide more incentives for institutional players to act in accordance with some general conception of public interest. As a corollary, the more public-good kind of public policy is likely to be initiated; “narrow distributional coalitions will, by contrast, face uniquely perverse incentives” (Olson, 1986: 165).

Adam Przeworski and Fernando Limongi (1993: 65) doubt that there are such institutions that “enable the state to do what it should but disable it from doing what it should not” and their hunch is that “politics does matter, but ‘regimes’ do not capture the relevant difference”. However, my empirical analysis demonstrates that Taiwan is likely to degenerate from a strong authoritarian state into a weak democratic one, but how the democratic institutions are designed can make a difference. Government structure is only one part of the institutional package. Institutional prescriptions to avoid such a political decay will require electoral reform, administrative reform, and more efforts in facilitating smooth interactions between the executive and the legislative.

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政治制度與經濟治理： 台灣混合式總統制之政治經濟分析

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摘 要

這篇論文對憲政體制設計的辯論提出一個不同的切入點。向來對於台灣混合式總統制所發的學術辯論，大多著眼於該體制對於政治穩定、行政立法關係與民主鞏固的影響。本文從政治經濟學的角度分析此政體類型與經濟治理的關係，認為在既有的國會選舉制度之下，立法部門容易淪為分歧與破碎的特殊利益競逐的場所，不管採行純粹的總統制或內閣制，都難以產生有效的經濟決策與管理。混合式總統制的制度設計，可以形成以總統為中心的行政層級節制，制衡立法部門的特殊利益傾向，並避免步上日本決策癱瘓的政治困境，不失為一個能保有行政優位與決策自主性的制度安排。本文並以日本與台灣在亞洲金融危機中的不同政策回應為例，指出兩國政治制度的差異，是造成不同經濟治理型態的制度起源，以支持本文針對台灣混合式總統制所提出的另一種正面觀點。

關鍵詞：混合式總統制、複數選區單記非讓渡投票制、結構性腐敗、發展型國家、亞洲金融危機