On June 7, 2005, the ad hoc National Assembly of Taiwan ratified a constitutional amendment to change the electoral rules of the Legislative Yuan (the parliament) by halving the number of seats from 225 to 113, extending legislators’ terms of office from three years to four, and adopting the mixed-member majoritarian (MMM) system\(^1\) to replace the half-century-old single nontransferable vote (SNTV) system for legislative elections. The new mixed-member system in Taiwan consists of one tier of single-member districts (SMDs) of 73 seats and a party list tier of 34 seats. In addition, there are 6 seats reserved for highland and lowland aboriginals elected on the basis of the SNTV system (Huang 2007, 2008a).

This chapter examines the significant changes in the legislative electoral system in Taiwan and then evaluates their consequences to the political party system. Taiwan’s electoral reform in 2005 is of great interest in itself because it illustrates how the cleavages, institutions, parties, and voters interact to produce election outcomes, both expected and unexpected. But more important, it constitutes a critical case to reexamine the popular seat-maximization approach to electoral reform (Benoit 2007), since in Taiwan it was the ruling-party legislators’ own initiative to downsize the parliament, which ignited a raging controversy and then backfired. Curiously enough, the leaders of the two archrival parties, the Nationalist Party (Kuomintang) and the Democratic Progressive Party, appeared as if they were silent partners pushing through the same new MMM rule, although at the same time each was seeking its own goals. Furthermore, Taiwan’s
case fills a gap in the literature concerning the “redistributive” type of electoral reform (Renwick 2010) in new democracies and thus can be crucial for comparative studies of electoral engineering (Ahmed 2013; Colomer 2004; Norris 2004; Sartori 1994).

The chapter begins with a review of the theoretical literature on the party system followed by an outline of a comprehensive multilevel framework linking cleavages with electoral systems, after which is a discussion of party politics under the SNTV system. I then apply the framework to trace the process of events and interactions between agents that led to the critical junctures of the passage of the electoral reform proposal in August 2004 and its final ratification in June 2005. Last is a discussion of the impact of the new MMM system on Taiwan’s party system at the national, district, and voter levels.

Theoretical Perspectives

There have been two main theories that explain the party system and voting behaviors in democracies: the cleavage structure and the electoral system. The former is represented by Lipset and Rokkan (1967), who explained changes to party systems, electoral realignments, and political mobilizations in Western European countries through cleavages along the lines of groups, regions, farmers, workers, laborers, and entrepreneurs. The Lipset-Rokkan “freezing hypothesis” claims that these preexisting cleavage structures were then “frozen” in the 1920s into party alignments through voter mobilization. That is, party systems basically stabilize only when they reflect the fundamental cleavages in societies. Once the party system is formed, it reinforces the cleavage system in order to perpetuate itself. The second school is represented by Duverger (1959), who believed it was the electoral system that principally shaped the party system. For many scholars, Duverger’s “law” (that single-member districts favor a two-party system) and “hypothesis” (that proportional representation leads to a multiparty system; Riker 1982) still provide the foundation of how the electoral system affects the party system, while the relationship between district magnitude, $M$, and the effective number of parties has been extended into the “$M + 1$ rule,” that is, voters will concentrate their votes on the top $M + 1$ candidates (Cox 1997).

In spite of debates in the literature, these two theories are not necessarily contradictory. While cleavage theory focuses more on the macro-level origins of the party system, Duverger’s law focuses on the meso-level institutional structures. Indeed, later development of the literature witnesses greater ap-
precipitation of the interplay between social heterogeneity and electoral rules 
(Clark and Golder 2006; Cox 1997; Neto and Cox 1997; Ordeshook and 
Shvetsova 1994). In these interactive models, electoral systems set an up-
per limit to the number of parties and work like filters of social divisions. 
That is, within this upper limit, the more “permissive” an electoral system is 
(such as the proportional representation system), the easier it is for preexist-
ing cleavages to manifest as political parties. The more “restrictive” electoral 
systems (such as the SMD system), on the other hand, tend to constrain the 
number of parties.

A Synthesized Framework

The literature on electoral rules is indeed impressive, and the area is of-
ten revered as one of the most advanced in political science. But previous 
studies of Taiwan’s electoral reform only either examined legislative elec-
tions or looked at legislative and executive elections separately (e.g., Chang 
and Chang 2009). Yet legislative electoral systems, important as they are 
in translating votes into seats, do not operate in a vacuum. Their evolution 
and impact can be fully understood only when they are embedded within 
broader social and institutional contexts. Building upon the vast literature, 
Huang (2008a, 4–5) developed a three-level analytical framework that in-
corporates the macro perspective of social cleavages, the meso perspective 
of institutional structures and electoral systems, and the micro perspective 
of voting behaviors. Following Powell’s (1982) insight that constitutional 
settings have a substantial impact on democratic performance, this general 
framework embeds the electoral systems within constitutional systems at the 
meso level. It assumes that political elites seek not only to maximize seats in 
the parliament but also to seize executive offices. It is the combination of the 
legislative electoral system and the constitutional setup that defines the pay-
offs of capturing executive offices and the degree of cross-district coordina-
tion required to win the executive offices. Hence “[t]o fully understand the 
effects of an electoral system, we must imbed it within the broader political 
contexts, especially the constitutional framework, of the country in ques-
tion” (Huang 2016, 302).

In presidential and semipresidential systems, for example, the president 
exercises the executive authority. The ultimate goal of most political parties 
and their leaders is undoubtedly to control both the executive and legisla-
tive branches in order to form a unified government, although the appeal of 
and the competition for the presidency is often a higher priority (Batto and
Taiwan Voter Cox 2016; Curini and Hino 2012). This implies that presidential contests often spill over to the legislative elections (Huang and Wang 2009, 2014). Although parliamentary elections after a presidential one may allow the president to consolidate his or her honeymoon (Samuels and Shugart 2010; Shugart and Carey 1992), our general framework also reveals the possibility that the parliament becomes a second battlefield for blocking government policies or embarrassing the ruling party once a viable party loses the presidential contest, or both. In the latter case, the temporal proximity of presidential and legislative elections may well make campaigns appear to be never-ending tournaments that escalate the already-fierce competition and leave little room for party truces.

This synthesized framework, in contrast with the traditional legislature-centric perspective, broadens our theoretical landscape by taking into account the payoffs of holding executive office, the degree of coordination required to capture the executive office, and the sustainability of the executive office (term limit). Although Moser and Scheiner (2012) argue that strong presidentialism hinders party-system institutionalization, my framework does not exclude the possibility that the greater degree of national coordination required to win the executive offices may well motivate elites to form coalitions with or to join and stay in the major parties, or both (Hicken 2009; Hicken and Stoll 2008). I argue that the joint effects of the presidential and legislative electoral systems, as well as the temporal proximity of the two elections, exert pressure on elites and parties to engage in cross-district coordination. Furthermore, social diversity is more than a background condition waiting to be filtered by the electoral rules. I argue that deep-rooted sociopolitical cleavages can act as latent yet powerful forces structuring the speed and direction in which such coordination efforts move. Finally, the strategic actions of elites under these contexts shape the choice sets available to the electorate and its voting behavior at the micro level. Electoral consequences, both expected and unexpected, in turn affect the persistence of and change in the party system, institutional structure, and eventually the sociopolitical cleavages. The principal idea behind this comprehensive framework is simple: that is, social cleavage and constitutional structures are part and parcel of studying the evolution and effects of electoral systems.

Party Politics under the SNTV System in Taiwan

The evolution of the party system in Taiwan can be divided into three periods: the dominance of the single-party system under the KMT before the
late 1980s; the gradual emergence of small parties in the early 1990s that transitioned into a quite vigorous multiparty system after 2000 (Fell 2005); and the reversal of the latter system (as a result of changes to the electoral system) to a cleavage-based two-party system after 2008 (figure 10.1). In brief, competitive party politics emerged only after 1986, when opposition forces formed the DPP. The transition to full democracy was completed in the 1990s, when the national legislature was subject to regular reelection beginning in 1992 followed by the first presidential election in 1996. The first power shift occurred when the long-time opposition party, the DPP, won the presidency in 2000 followed by reelection in 2004. However, the KMT has retained continuous control of Taiwan’s legislative branch, although the party went from a single-party majority to a majority in coalition and then back to a single-party majority. In the early part of the democratic era, the KMT retained a degree of dominance. After 2001, splinter parties forced the KMT into coalition arrangements, but the party returned to dominant status in the first postreform election of 2008 (see, for example, Stockton 2010).

Taiwan has employed the simple plurality system for presidential elections since 1996 (table 10.2), but the legislative electoral system is somewhat more complicated. Before its 2005 electoral reform, Taiwan employed an SNTV system for its national legislature (table 10.1).

In the 1998, 2001, and 2004 legislative elections, for example, there were a total of 225 seats. Of these, 168 representatives were elected from 29 geographically defined multimember districts, and another 8 members were elected from 2 nationwide districts reserved for lowland and highland aborigines. The average district magnitude was 5.79 seats per district. Several districts had only 1 seat, while the largest district had 13 seats. In addition to the 176 SNTV seats, there were also 49 seats elected by closed proportional representation (PR) lists. The list designated for national party representatives had 41 seats, whereas the list designated for overseas representatives had 8 seats. There was no separate party list ballot for the PR seats. Instead, all the votes for the party nominees running in the SNTV districts were summed to obtain each party’s national total. For all parties with at least 5 percent of the national vote, these totals were used to apportion seats on the two lists using a largest remainders formula (Farrell 2011; Wang 2012).

Under the SNTV system, Taiwan has developed from a single-dominant-party system in the early 1990s to a period of multiparty politics after the 2000 presidential election. Scholars have cited one-party dominance as the reason for the implementation of SNTV electoral rules. Under an SNTV system, political parties must coordinate their supporters’ votes within
Fig. 10.1. Taiwan’s political party system, 1986–2012. Source: Author. Note: 1. % in the parentheses denotes percentage of seats in the Legislative Yuan; the broken line denotes an alliance, loosely defined as some form of cooperation between parties. For example, many NP candidates ran under the KMT’s umbrella in 2001 and 2004, and the PFP agreed not to run its own party list in 2008 in exchange for KMT’s promise to nominate six former PFP legislators in six districts and also allowed the PFP to share four seats on the KMT’s party list. Although formally there was no NP legislator in 2008 and 2012, NP continues to be active in some local elections.
TABLE 10.1 Features of the Legislative Electoral System in Taiwan since 1992

<table>
<thead>
<tr>
<th>Term</th>
<th>Election year</th>
<th>Electoral system</th>
<th>Total seats</th>
<th>PR seats (%)</th>
<th>PR legal threshold</th>
<th>Average district magnitude</th>
<th>ENPP (SNTV)</th>
<th>ENEP (PR)</th>
<th>ENEP (SMD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd</td>
<td>1992</td>
<td>SNTV</td>
<td>161</td>
<td>36(22.4)</td>
<td>5.0</td>
<td>4.41</td>
<td>2.46</td>
<td>2.52</td>
<td>—</td>
</tr>
<tr>
<td>3rd</td>
<td>1995</td>
<td>SNTV</td>
<td>164</td>
<td>36(22.0)</td>
<td>5.0</td>
<td>4.52</td>
<td>2.63</td>
<td>2.90</td>
<td>—</td>
</tr>
<tr>
<td>4th</td>
<td>1998</td>
<td>SNTV</td>
<td>225</td>
<td>49(21.8)</td>
<td>5.0</td>
<td>5.79</td>
<td>2.53</td>
<td>3.14</td>
<td>—</td>
</tr>
<tr>
<td>5th</td>
<td>2001</td>
<td>SNTV</td>
<td>225</td>
<td>49(21.8)</td>
<td>5.0</td>
<td>5.79</td>
<td>3.24</td>
<td>4.14</td>
<td>—</td>
</tr>
<tr>
<td>6th</td>
<td>2004</td>
<td>SNTV</td>
<td>225</td>
<td>49(21.8)</td>
<td>5.0</td>
<td>5.79</td>
<td>3.08</td>
<td>3.76</td>
<td>—</td>
</tr>
<tr>
<td>7th</td>
<td>2008</td>
<td>MMM</td>
<td>113</td>
<td>34(30.1)</td>
<td>5.0</td>
<td>1.00</td>
<td>1.47</td>
<td>—</td>
<td>2.49</td>
</tr>
<tr>
<td>8th</td>
<td>2012</td>
<td>MMM</td>
<td>113</td>
<td>34(30.1)</td>
<td>5.0</td>
<td>1.00</td>
<td>1.97</td>
<td>3.03</td>
<td>2.32</td>
</tr>
</tbody>
</table>


1. (total number of seats elected from districts)/(total number of districts). 2. Effective number of parliamentary parties (ENPP) = , where $P_i$ is the proportion of seats of the $i$th parties. Likewise, ENEP = , where $Q_i$ is the vote shares of the $i$th parties.
<table>
<thead>
<tr>
<th>Year</th>
<th>Electoral System</th>
<th>KMT</th>
<th>DPP</th>
<th>NP</th>
<th>PFP (James Soong)</th>
<th>Others¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vote</td>
<td>Vote %</td>
<td>Vote</td>
<td>Vote %</td>
<td>Vote</td>
<td>Vote %</td>
</tr>
<tr>
<td></td>
<td>Vote</td>
<td>Vote</td>
<td>Vote %</td>
<td>Vote</td>
<td>Vote %</td>
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<tr>
<td></td>
<td>Vote %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>plurality</td>
<td>5,813,699</td>
<td>54.00</td>
<td>2,274,586</td>
<td>21.13</td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>plurality</td>
<td>2,925,513</td>
<td>23.10</td>
<td>4,977,697</td>
<td>39.30</td>
<td>16,782</td>
</tr>
<tr>
<td>2004</td>
<td>plurality</td>
<td>6,442,452</td>
<td>49.89</td>
<td>6,471,970</td>
<td>50.11</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>plurality</td>
<td>7,659,014</td>
<td>58.44</td>
<td>5,444,949</td>
<td>41.55</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>plurality</td>
<td>6,891,139</td>
<td>51.60</td>
<td>6,093,578</td>
<td>45.63</td>
<td></td>
</tr>
</tbody>
</table>


¹ C refers to Chen Lu-an; L refers to Lin Yang-Kang; H refers to Hsu Hsin-liang.
constituencies in order to more evenly distribute votes across candidates. Without successful coordination, weaker candidates will get too few votes and stronger co-partisans will receive too many votes. If effective, intraparty coordination can result in political parties gaining an overrepresentation bonus. Governing parties have a tremendous advantage because they can use the resources of the state to overcome the coordination problems of nomination and division of votes (Cox 1997; Cox and Niou 1994; Cox and Rosenbluth 1993, 1996; Patterson and Stockton 2010; Rochon 1981). Meanwhile, small parties also face much smaller coordination problems since they often only nominate one candidate in any given district. With only one candidate, vote division is not a challenge (Taagepera and Shugart 1989, 28). Besides, the vote share necessary to win a seat decreases as the number of seats increases. Since candidates can win with support from a small minority of voters, they can appeal to highly personalized and niche voters (Flanagan et al. 1991). Under an SNTV system, there is electoral space for small parties, either newly formed or splintered from the existing big parties when antagonistic intraparty struggle cannot be resolved.

Electoral Reform: Tangles of Two Archrivals

Taiwan has experienced numerous institutional challenges, such as fractional politics, extremism, intraparty competition, money politics, party splintering, and an inefficient parliament, and many studies have attributed these disadvantages to the SNTV system (Cox and Rosenbluth 1993; Cox and Thies 1998; Richardson 1988; Wang 2012). Because of continual election scandals, the call for legislative electoral reform has often enjoyed widespread attention. However, it took the tension of stagnation and a stalemate caused by the divided government after the first power shift in 2000 to shake up the half-century-old SNTV system.

The hurdle of changing the legislative electoral system was unusually high in Taiwan when the DPP government took over power in 2000. The Legislative Yuan’s organization and election are specified in Article 4 of the Additional Articles of Constitution of the Republic of China. Changing the electoral system therefore requires amending the constitution, the procedure for which is also specified by the constitution. As of June 2000, a constitutional amendment required two stages: a proposal passed by the Legislative Yuan and then ratification by the National Assembly. The proposal had to be initiated by at least one-fourth of the total seats of the Legislative Yuan and passed by at least three-fourths of the members present at a meeting at-
tended by at least three-fourths of the total members of the Legislative Yuan. Once passed, the proposal had to be publicly announced for six months. Then 300 delegates had to be elected by proportional representation to the National Assembly to deliberate and vote on the Legislative Yuan proposal. Obviously, changing the legislative electoral rule was extremely difficult, not only because a constitutional amendment was called for but also because it took the incumbent Legislative Yuan, a beneficiary of the status quo, to initiate and pass the constitutional amendment proposal before sending it to the ad hoc National Assembly for ratification. Electoral engineering in Taiwan required Herculean efforts of both intra- and interparty coordination to achieve. Yet it did happen in 2005. Why?

Based on the comprehensive framework laid out previously, I argue that it was the introduction of popular presidential elections in 1996 and the subsequent power shift in 2000 due to the KMT’s internal split that set the momentum of legislative electoral reform on track in order to “bring back order and end the parliamentary chaos.” The power of the president in Taiwan, under its “president-parliamentary” semipresidential system (Shugart and Carey 1992, 24), makes the presidency a big enough prize to motivate political elites to cooperate in the electoral process in order to win by a plurality. Before 2012, Taiwan also had peculiar staggered electoral schedules for multiple political offices at different levels and branches of government (Huang and Lin 2013), as shown in figure 10.2. The temporal proximity of election schedules between the presidential and legislative elections in turn make the interparty competition for the former spill over into the latter like an endless election campaign.6 Anxious to appeal to the electorate, the major parties campaigned on a reformist platform and each advanced its image as the true champion of electoral reform. Repeated promises as part of the continuing election campaigns not only suppressed opposing intraparty views but elevated the clamor for reform to such a point that party leaders resorted to party discipline to get legislators to pass the constitutional amendment act. The following paragraphs chronologically trace the trajectory of Taiwan’s electoral reform so as to highlight the sequential interactions among cleavages, institutions, and agents that shaped reform politics in path-dependent ways.

In January 1994, the Japanese Diet passed electoral law reform bills that abolished the old SNTV system and adopted a new MMM system (Curtis 1999; Reed and Thies 2001). The 1994 electoral reform in Japan and its initial implementation in the 1996 House of Representatives election sent a shock wave through neighboring Taiwan, where the SNTV system had been blamed for intraparty competition and factionalism, as well as for money
Electoral System Change

In late 1996, at the National Development Meeting summoned by President Lee Teng-hui of the KMT after his win in the March 1996 presidential election, a consensus was reached to replace the SNTV system with a mixed-member system. However, a proposed constitutional amendment about electoral reform failed in 1997 because the then-ruling KMT insisted on a Japanese-style MMM system, which favors big parties, while the then-opposition DPP and the New Party supported a more proportional, German-style mixed-member proportional system. Given that no consensus was reached on that point, the electoral reform proposal was dropped from the agenda. Instead, an amendment was ratified to increase the total number of seats in the Legislative Yuan from 164 seats in 1995 to 225 seats in 1998 so as to accommodate members of the then-to-be-abolished Taiwan Provincial Council who might run for the legislature. As a result, the average district magnitude increased from 4.52 to 5.79 seats per district, and only 40,000 votes were usually sufficient to elect a district candidate. This 37 percent jump in the number of seats did defuse some resistance to the streamlining of the Taiwan Provincial Government, yet it unexpectedly increased the electoral opportunities for small parties and seeded the next-round initiatives of slimming the Legislative Yuan.

Three years later, the DPP won the March 2000 presidential election, while the Pan-Blue parties maintained control of the majority of seats in the Legislative Yuan and dragged their feet over the new DPP administration. The first power shift plus the first divided national government ever experienced in Taiwan intensified the fraught relationship between the executive and legislative branches and incited much mudslinging between the govern-
ing DPP and the opposition KMT and its allies. The opposition Pan-Blue parties were often portrayed as the source of chaos in the parliament. Frequent brawls that broke out on the floor further ruined the public’s image of the Legislative Yuan as a whole.

On November 24, 2000, a year before the 2001 legislative election, a DPP legislator placed a campaign advertisement in the newspapers calling for halving the number of legislative seats. This first call for such a reduction immediately caught the nation’s attention and became a campaign slogan. It constituted a simple issue that could easily gain popular support and was difficult for opponents to disagree with in public. But it also motivated politicians to bundle their own political agenda with it. The effects went far beyond the December 2001 legislative election and extended to the March 2004 presidential election and then to the December 2004 legislative election. Among these three consecutive national elections within four years, the 2004 presidential election was the impetus for the final showdown on electoral reform. To a large extent, what happened in the May 2005 National Assembly election and with the assembly’s ratification of the constitutional amendment in June was not so much a critical election, as Fell (2010) argued, but only the consequence of the long, harsh four-year election campaigns. The presidential hopefuls of the two major parties were betting that the new MMM electoral system would not only be favorable to their own party but also reduce the opportunities for the small parties. The two archrival parties, the DPP and the KMT, both dreamed of first winning the presidency and then a majority of seats and unwittingly appeared to act like silent partners in carrying out electoral reform.

In mid-April 2001, the DPP began openly advocating an MMM system, a reversal of the position it had held since 1997, when it was in opposition. In late October 2001, President Chen Shui-bian pledged that if the DPP became the largest party in the Legislative Yuan, he would advance bold and decisive parliamentary reforms, including replacing the SNTV system with an MMM system and downsizing the legislature. This was the first time that electoral system reform had been explicitly linked with the popular issue of assembly size. In mid-November, the KMT responded with a five-point parliamentary reform proposal that also included an MMM system and a reduction in the number of legislative seats. In late November 2001, President Chen Shui-bian accused the KMT and the NP of not supporting seat reduction and reiterated his pledge to reduce the total number of seats to 150 and replace the SNTV system with an MMM system, and, in addition, to synchronize legislators’ three-year term with the president’s four-year term. For fear of being labeled antireform, the KMT and NP responded
that they had wholeheartedly supported the seat-reduction proposal from the very beginning. Under pressure from public opinion, the party caucuses promised to work on these proposals after the 2001 legislative election. The December 2001 election was a debacle for the KMT, whose seats decreased from 54.7 percent to only 30.2 percent. Meanwhile, the ruling DPP substantially increased its seats from 31.7 percent to 38.7 percent and became the largest party in the legislature. The election results definitely boosted the morale of the DPP.

Not long after the new legislature convened in 2002, the Taiwan Solidarity Union, which was formed months before the 2001 election and was considered to be an ally of the DPP, took the lead in proposing a constitutional amendment to reduce the assembly size by half. Other parties responded by proposing various versions of that proposal. In reality, however, the reform was unpopular with the rank-and-file legislators in both major parties, since they understandably were not happy about half of their seats in the legislature being eliminated. The two major parties paid lip service to the proposal, but the constitutional amendment committee did not even convene. The atmosphere began to change, however, after the KMT and the People First Party leaders, Lien Chan and James Soong, teamed up as running mates for the 2004 presidential election. While the KMT and PFP were still squabbling about their common platform, especially the PFP’s objection to the MMM system, the Government Renovation Committee of the Presidential Office announced in early May a parliamentary reform plan that reiterated President Chen Shui-bian’s campaign promises of the previous year. Soon the DPP party caucus and the DPP Standing Committee reached agreement on the reform plan and pledged to complete the constitutional amendment and put it into effect for the December 2004 legislative election. In June 2003, the KMT-PFP party caucuses dared the DPP to reduce the seats actually by half, that is, to 113 seats instead of 150, but they still criticized the MMM proposal as a campaign gimmick. In October, the KMT-PFP caucuses even began talking about reducing the number of seats to 100 but remained vague about whether they supported an MMM or mixed-member proportional system.

The tone of “reform bidding” turned acrimonious as the presidential election drew near. On November 13, Premier You Xi-Kun opened another battlefront by proposing to formulate a completely new Taiwan constitution via public referendum. This move touched upon the fundamental issue of Taiwan independence versus future unification with China (see Huang 2005, 2006). Caught by surprise and again worried about being labeled antireform by the DPP, the KMT chair, Lien Chan, countered by advocat-
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ing a new Republic of China constitution. Lien, cajoled by the acquiescence of the PFP, vowed a sweeping reform based on 10 principles, the fifth principle of which concerned parliamentary reform: the MMM system; seat reduction to 100, 113, or 150; and synchronized terms. The content of this principle was suspiciously similar to the DPP’s earlier proposal. Meanwhile, the KMT-PFP caucuses took the lead in late November to initiate a constitutional amendment based on Lien’s pledge but with an explicit seat number of 113. While this initiative was still collecting the signatures of legislators, on December 30 the DPP’s Central Standing Committee also reduced its original 150-seat proposal to 113 seats, partly at the strong urging of the DPP’s former chair Lin Yi-Xiong. The two arch rivals now engaged in strange tangles.

On February 25, 2004, the Constitutional Amendment Committee of the Legislative Yuan convened and on March 10 passed a draft of the amendment proposal. It seemed that the major parties intended to rush the process, and they sent the bill to the floor right before the March 20 presidential election. Yet on March 15 the party caucus of the Nonpartisan Solidarity Union, a long-time opponent of the MMM system, motioned to send the bill for cross-party consultation, which would take four months according to the legislative procedure rule. This motion blocked the bill one step short of reaching the floor.

After winning reelection in 2004 by a thin margin, President Chen Shui-bian vigorously pushed for electoral reform. In his inauguration speech on May 20, he vowed to fulfill his campaign promises by completing the constitutional renovation by the end of his second term in 2008. As before, electoral reform was unpopular with most rank-and-file legislators. Not surprisingly, the TSU and NPSU continued to oppose the MMM system. But even the KMT-PFP alliance began to weaken after losing the presidential election. The KMT chair, Lien Chan, again worried about public support in the upcoming December 2004 legislative election, threw his support behind the reform. The KMT chair, Lien Chan, again worried about public support in the upcoming December 2004 legislative election, threw his support behind the reform. Some PFP legislators, however, began to voice their objections to the MMM system for fear of a bleak future. The PFP chair, James Soong, who was also worried about being accused of breaking campaign promises, persuaded the PFP legislators to support the electoral reform bill so as to maintain a pro-reform image for the December legislative election. The pressure of the upcoming election was so great that eventually not only the DPP and the KMT-PFP caucuses went along with their party leaders but the TSU and NPSU legislators all voted unanimously, though reluctantly, on August 23, 2004, to send the constitutional amendment proposal to the National Assembly for ratification. The December 2004 legislative election outcome turned out to be a great disappointment to the PFP, for it lost a dozen seats (table 10.3).
<table>
<thead>
<tr>
<th>Year</th>
<th>Seats</th>
<th>Electoral system</th>
<th>KMT</th>
<th>DPP</th>
<th>NP</th>
<th>PFP</th>
<th>TSU</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Vote %</td>
<td>Seat (%)</td>
<td>Vote %</td>
<td>Seat (%)</td>
<td>Vote %</td>
<td>Seat (%)</td>
<td>Vote %</td>
</tr>
<tr>
<td>1992</td>
<td>161</td>
<td>SNTV</td>
<td>52.7</td>
<td>95 (59.0)</td>
<td>31.4</td>
<td>51 (31.7)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1995</td>
<td>164</td>
<td>SNTV</td>
<td>46.1</td>
<td>85 (51.8)</td>
<td>33.2</td>
<td>54 (32.9)</td>
<td>13.0</td>
<td>21 (12.8)</td>
</tr>
<tr>
<td>1998</td>
<td>225</td>
<td>SNTV</td>
<td>46.4</td>
<td>123 (54.7)</td>
<td>29.6</td>
<td>70 (31.1)</td>
<td>7.1</td>
<td>11 (4.9)</td>
</tr>
<tr>
<td>2001</td>
<td>225</td>
<td>SNTV</td>
<td>28.3</td>
<td>68 (30.2)</td>
<td>33.8</td>
<td>87 (38.7)</td>
<td>2.7</td>
<td>1 (0.4)</td>
</tr>
<tr>
<td>2004</td>
<td>225</td>
<td>SNTV</td>
<td>32.8</td>
<td>79 (35.1)</td>
<td>35.7</td>
<td>89 (39.6)</td>
<td>0.1</td>
<td>1 (0.4)</td>
</tr>
<tr>
<td>2008</td>
<td>79</td>
<td>SMD</td>
<td>53.5</td>
<td>61 (77.2)</td>
<td>38.2</td>
<td>13 (16.5)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>34</td>
<td>PR</td>
<td>51.2</td>
<td>20 (58.8)</td>
<td>36.9</td>
<td>14 (41.2)</td>
<td>4.0</td>
<td>0 (0.0)</td>
</tr>
<tr>
<td></td>
<td>113</td>
<td>(Total)</td>
<td>—</td>
<td>81 (71.7)</td>
<td>—</td>
<td>27 (23.9)</td>
<td>—</td>
<td>0 (0.0)</td>
</tr>
<tr>
<td>2012</td>
<td>79</td>
<td>SMD</td>
<td>48.2</td>
<td>48 (60.8)</td>
<td>43.8</td>
<td>27 (34.2)</td>
<td>0.1</td>
<td>0 (0.0)</td>
</tr>
<tr>
<td></td>
<td>34</td>
<td>PR</td>
<td>44.6</td>
<td>16 (47.1)</td>
<td>34.6</td>
<td>13 (38.2)</td>
<td>1.5</td>
<td>0 (0.0)</td>
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<tr>
<td></td>
<td>113</td>
<td>(Total)</td>
<td>—</td>
<td>64 (56.6)</td>
<td>—</td>
<td>40 (35.4)</td>
<td>—</td>
<td>0 (0.0)</td>
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</tbody>
</table>

Sources: Data from the Taiwan Provincial Election Commission of the Department of Civil Affairs and the Central Election Commission of the Ministry of the Interior, Republic of China.

Note: 1. In 2008 and 2012, SMDs included 6 SNTV seats for aboriginals.
As the election ended and campaign pressure subsided, political reality took over. In late March 2005, the PFP announced a change of position on the constitutional amendment bill that it had voted for the previous August. The TSU and NPSU soon followed suit. The election for the 300 National Assembly delegates held on May 14, 2005, was the only election in Taiwan based solely on the party list system. The record-low turnout rate of merely 23.4 percent signified not just the confusion about the PR rule but also the public’s unfamiliarity with the debates on electoral rules (Huang, Wang, and Lin 2012, 2013; Huang and Yu 2011). The DPP earned 42.5 percent of the votes and the KMT garnered 38.9 percent. Not surprisingly, the smaller parties, including the TSU, PFP, NP, and NPSU, all opposed the bill, fearing a bleak future. But the minor parties did not have the clout to block the amendments since the two major parties, the DPP and the KMT, combined accounted for 244 (81.3%) of the 300 seats and exerted strict party discipline over their members. Eventually, the ad hoc National Assembly ratified the amendment in June 2005 with a vote of 249 for and 48 against with staunch support from the two big parties, which expected gains from forming a unified government under the new electoral rules.

The new MMM electoral system, specified by the new Article 4 of the amended Additional Articles of the ROC Constitution, has two tiers with a total of 113 seats. The tiers are not linked, so seats are determined independently in each tier. The nominal tier includes 73 seats (64.6%), which are elected by plurality in SMDs, and 6 seats (5.3%) are in two national SNTV districts for lowland and highland aboriginals. The remaining 34 seats (30.1%) comprise a single national list tier and are apportioned by a largest remainder rule. Note that the nominal tier seats far outnumber the list tier seats. Giving such heavy weight to the nominal tier is disadvantageous to smaller parties, since smaller parties often find winning a plurality in an SMD to be a daunting challenge and rely heavily on seats from the list tier for survival. With fewer list tier seats available, smaller parties find it harder to survive. Even worse, to win any of these seats, parties must win at least 5 percent of the national list tier vote. This 5 percent legal threshold also discriminates against smaller parties, since, without a legal threshold, parties winning at least 2.14 percent of the valid vote would be able to win a seat.8

Taiwan’s electoral reform has important implications. Literature on electoral reform usually considers the costs and benefits to legislators. As might be expected, legislators, especially from small parties, were generally against reform. However, the critical players were actually the national party leaders/presidential contenders who effectively sold out their legislators in order to
play to public opinion in hopes of advancing their own careers. We cannot understand the electoral reform without reference to the semipresidential system. Additionally, these key presidential contenders represented the two camps of the identity cleavage. That is, the identity cleavage was hidden at the very root of Taiwan’s electoral reform.

Effects of Electoral System Change on the Party System

Preludes to the Postreform Legislative Election

Most studies evaluating the impact of the new MMM system in Taiwan focus on the January 2008 legislative election (Hsieh 2009; Jou 2009; O’Neill 2013; Shyu 2011; Stockton 2010). My comprehensive framework clearly points out that the new electoral system directly affects politicians’ strategic entry and exit decisions as well as the formation and dissolution of intra-party and interparty coalitions. Interactions among political elites, in turn, determine the voters’ choice sets on ballots in elections.

Indeed, the impact of the MMM system had been felt almost immediately after the ratification of the constitutional amendment. The effects were particularly acute for legislators of small parties. They were squeezed from both ends: by a 50 percent decrease in total seats, as well as by a plurality rule in the newly drawn SMDs. Small-party incumbents intending to run for reelection were fighting an uphill battle. But of course this had been part of the plan of the two big parties pushing for the MMM system. As a result, the first and immediate impact of MMM on the party system manifested itself among the political elites, including large-scale party switching during 2006 and 2007 as well as interparty negotiations inside the Pan-Blue and Pan-Green camps. In the two years after the 2005 electoral reform, as many as 22 incumbent PFP legislators switched to the KMT while 5 TSU legislators switched to the DPP. Therefore, party realignment started long before the first postreform legislative election held in January 2008. More important, the multiparty system began to converge toward a two-party system split along the preexisting fundamental cleavage, that is, independence versus unification.

However, interparty coordination proves to be not as easy as party switching on the part of individuals. Two years before the 2008 legislative election, the KMT reached out to and eventually negotiated successfully with the PFP to nominate six former PFP legislators in six districts and also allowed the PFP to share four seats on the KMT’s party list. The
KMT also made way to NPSU candidates in three SMDs, and promised not to nominate a candidate in the first district in Pingtung so as to allow an independent candidate, also affiliated with the NPSU, to compete against the DPP candidate. Apparently, the then-opposition KMT, after losing the 2000 and 2004 presidential elections, was anxious to form a Pan-Blue coalition aimed at the presidential election in March 2008 and thus was more willing to make compromises with its allies. In contrast to the coordination in the Pan-Blue camp, the DPP and the TSU squabbled with each other and eventually failed to reach any substantive agreement. The DPP seemed to believe that the TSU would simply back down and follow its lead. Yet the TSU eventually fielded 13 candidates in districts to fight its battle for survival. The effects of such differences in the interparty coordination within each camp were further magnified by the new electoral system, since the mechanical effect of the SMD tier favors the party capturing the majority of popular votes.

Effects at the National Level

As discussed in the previous section, the reform of the legislative electoral system was initiated by the then-ruling DPP to win an absolute majority in the Legislative Yuan and gain full control of both the executive and legislative branch. However, the lame-duck president, Chen, was unable to reach an agreement with the TSU. Even worse, a series of scandals involving the president and his family broke out in 2006 and tarnished the clean image of the DPP. As a result, the outcome of the 2008 legislative election starkly demonstrated the new MMM system’s disproportionality effect on the losing party. Actually, the DPP received 38.2 percent of total district votes but only 13 (16.5%) out of 79 SMD/SNTV seats. For the PR ballot, the DPP received 36.9 percent of the total votes and 14 (41.2%) of 34 party seats. On the other hand, the KMT garnered 53.5 percent of the total district votes and 61 (77.2%) out of the 79 SMD/SNTV seats, as well as 51.2 percent of the total at-large votes and 20 (58.8%) out of the 34 party seats (Huang and Hsiao 2009). If we count the 3 seats won by the NPSU, the Pan-Blue, indeed, secured an overwhelming victory over the DPP in the 2008 legislative election, which also paved the way for the landslide victory of the KMT presidential candidate, Ma Yin-jeou, in March 2008. In 2008, 12 parties filed lists on the PR ballot, but only the two big parties, the KMT and the DPP, surpassed the 5 percent threshold. Although the two small parties, the NP and TSU, did receive 4 percent and 3.5 percent for the PR votes, respec-
tively, neither of them managed to reach the 5 percent threshold required for parties to be allocated PR seats.

The presidential and legislative elections became synchronized on January 14, 2012, when Taiwan held its first-ever concurrent presidential and legislative elections. The elections also served as a test of the tenacity of the new two-party system under Taiwan’s MMM rules embedded within the semipresidential system. The PFP chair, James Soong, lamenting being cheated by the KMT, ran as an independent presidential candidate and also nominated 10 legislative-district candidates in order to file the party list. The TSU, on the other hand, ran on the party list only, without nominating any district candidates. So each party essentially ran on its own in 2012, with the exception of a tacit alliance between the KMT and NPSU. In this three-way presidential race, the incumbent president, Ma Ying-jeou of the KMT, defeated his main challenger, Tsai Ing-wen of the DPP, by a substantial margin. The third candidate, James Soong, received only 2.8 percent of the popular vote (Huang and Wang 2014). Meanwhile, the two major political parties took the lion’s share in the legislative election (table 10.3). The ruling KMT received 48.2 percent of the total district votes and 48 (60.8%) SMD/SNTV seats, as well as 44.6 percent of the total party list votes and 16 (47.1%) party seats. The DPP, on the other hand, performed much better than it did in 2008 by garnering 43.8 percent of the total district votes and 27 (34.2%) SMD/SNTV seats. For the PR ballot, the DPP received 34.6 percent of the total votes and 13 (38.2%) party seats. Three PFP candidates were elected: one through the aboriginal SNTV district and two through the list tier with 5.5 percent PR votes. The TSU also won three seats from its 9.0 percent list votes. Besides PFP and TSU, none of other seven parties that filed lists got as much as 2.9 percent. Notably, the outcome of the 2012 election indicated the consolidation of the two-party system without coalitions.

The last four columns of table 10.1 present the Laakso-Taagepera effective number of parliamentary parties (ENPP) and the effective number of electoral parties (ENEP) in moving from an SNTV to an MMM system (Laakso and Taagepera 1979; Taagepera and Shugart 1989). According to Duverger’s law, the number of parties in SMDs would shift toward two, due to mechanical effects and strategic voting owing to psychological effects. But Duverger’s hypothesis predicts that multiple parties remain in the PR tier of the system because voters have stronger incentives to vote sincerely. Figure 10.3 clearly indicates that there was an immediate sharp drop in the ENPP from 3.08 to 1.47, which is almost one-party dominance in parliament. With a much stronger performance by the DPP, and after the PFP split from the Pan-Blue coalition and ran its own candidates in the 2012
Taiwan Voter legislative election, the ENPP rose to 1.97, which is much closer to 2.00. ENEP indexes are not directly comparable between single-ballot SNTV and two-ballot MMM systems. Still it is not difficult to see that the growing trend of ENEP under SNTV was interrupted after the change of electoral system. Furthermore, as Duverger’s law and hypothesis expect, the ENEP in the SMD tier hovers around 2.30 while its PR counterpart is slightly higher. Actually, the ENEP in the PR tier rose from 2.49 in 2008 to 3.03 in 2012 because both the PFP and TSU’s party votes exceed the 5 percent legal threshold.

Effects at the District Level

The national-level indexes were further checked and tested at the district level. It can be shown that the changes at the district level are also congruent with the electoral-system theories. Specifically, I exploit the SF ratio (the ratio of the second to the first loser’s vote total) patterns over time and across two tiers. Cox (1997, 85) used the SF ratio to test the $M + 1$ rule, a generalization of Duverger’s law. The $M + 1$ rule holds that, at the district level, the effective number of candidates will decline toward the district magnitude ($M$) plus one. SF ratios demonstrate the extent to which the number of votes cast for less competitive candidates trail behind $M + 1$. Cox reasoned
that in Duvergerian equilibria, when strategic voting by voters occurs, the 
(M + 2)th candidate will be deserted and thus the SF ratio will be near zero. In non-Duvergerian equilibria, however, the first and second losers receive nearly the same number of votes, and thus the SF ratio will be near one. When $M$ is small, such as in SMDs, where $M = 1$, strategic voting is more likely to occur in closely contested districts. As $M$ grows larger, such as in an SNTV system with multiple seats in each district, strategic voting becomes more difficult due to the lack of clear information for voters. In other words, we should expect a greater number of districts concentrated at the lower end (closer to zero) in the nominal tier under an MMM system than in an SNTV system. If we plot the histogram of SF ratios of all the districts, the $M + 1$ rule predicts a right-skewed distribution with most districts having near-zero values concentrated on the left side and only a small number of exceptions on the right.

The SF ratios of Taiwan’s seven legislative elections at the district level were computed and then classified into 10 intervals, as shown in figures 10.4 and 10.5. An examination of these figures reveals a dramatic reversal of district distributions after the electoral system switched from SNTV (figure 10.4) to MMM (figure 10.5). During the SNTV period from 1992 to 2004, many of the multimember districts fell at the higher end of SF ratio (i.e., closer to 1.00). In the last two legislative elections of 2008 and 2012 under MMM, however, most single-member districts’ SF ratios indeed had values close to 0.00 and thus concentrated at the lower end. This means that two-party competition has become the norm at the district as well as at the national level.

**Effects at the Voter Level**

As mentioned earlier, Duverger (1959, 205) asserted that single-member district plurality would tend to generate two-party competition, and he also proposed that PR systems would encourage multiparty competition. Besides the mechanical factor of SMD that leads to the underrepresentation of the weaker parties, the psychological factor that supporters of the third party tend to “transfer their voter to the less evil of its two adversaries” (Duverger 1959, 226) also causes strategic voting. A mixed-member electoral system is characterized by the hybrid of both SMD and PR tiers. If identifiers with small parties indeed vote strategically on the SMD ballot and sincerely on the PR ballot, this ticket-splitting pattern becomes a micro-level evidence of electoral system effects.
There is an abundant extant literature on voting choices and ticket-splitting under the MMM system at the voter level based on survey data, especially the TEDS 2008L and TEDS 2012-T surveys (Huang 2008b; Huang and Chou 2013; Huang and Hsiao 2009; Huang and Lin 2009; Huang, Wang, and Kuo 2008; Wang, Lin, and Hsiao 2016). It emphasizes that partisan voting is dominant for either of the two major party identifiers on both SMD and PR ballots. Yet certain supporters of the smaller
parties indeed tend to vote strategically for the major party candidates of their own “color” camp, but vote sincerely for their most preferred party on the PR ballot. Besides partisanship, ethnic identity and attitude toward Taiwan independence vs. unification with China remain important explanatory variables of voting choices. For example, compared to those who identify themselves as Taiwanese, those who identify themselves as Chinese or as both Taiwanese/Chinese are more likely to vote for KMT candidates in districts and vote for the Pan-Blue camp on the party ballot.

In spite of the tendency of strategic voting from minor parties’ supporters, however, the MMM electoral system still squeezes smaller parties from two ends. That is, PR portion in Taiwan accounts for only 30.1 percent of the total 113 seats plus its relatively high 5 percent legal threshold causes the MMM electoral system to exert heavy pressure on small parties and thus push down the number of parties. Meanwhile, the force of gravity of the SMD portion in Taiwan's MMM electoral system tends to favor any major party that can garner near 50 percent vote share in legislative elections.

Conclusions

This chapter has employed a comprehensive framework with which to study the evolution and effects of electoral systems embedded within social and institutional contexts. It has examined the change in legislative electoral system in Taiwan and evaluated its consequences on political party systems from the perspective of this broad framework. It is interesting to note that after switching from an SNTV system to an MMM in 1994, Japan experienced only a gradual evolution from a multiparty to a two-party system, taking five House of Representatives election cycles, whereas the party system in Taiwan changed immediately and dramatically in the first postreform election (Huang 2011; Huang, Kuo, and Stockton 2016). Taiwan's fast convergence toward two-party competition can be partly attributed to institutional factors. That is, the powerful presidency of Taiwan's semipresidential system motivates party leaders to synchronize the legislative electoral system to make it easier to form a unified government.

However, institutions alone do not explain the direction in which multiple parties converge. This chapter argued that the fundamental cleavage in Taiwan, that is, independence versus unification, has played a hidden yet significant role in three ways. First, it directed the centripetal force of the plurality system of presidential election toward the two camps. Although the old SNTV system left room for splinter parties within camps, the cleavage
motivated elites to push for a new electoral system that was more compatible with the enduring social division. Second, it accelerated the speed of convergence toward the two-party system along the borderline of the preexisting cleavage by skipping time-consuming trial and error in coalition permutations. Last, but certainly not least, it crystallized a relatively stable two-party competition with regular power shifts under the semipresidential system.

Notes

1. In Chinese, the new MMM rule is literally called “single-member district, two-ballot system.” This chapter adopts the classification and terminologies of two subtypes of mixed-member systems used by Shugart and Wattenberg (2001, 13–14). In the MMM systems, there is no link between nominal and list tiers in the allocation of seats to parties. The plurality formula used in the nominal tier can lead to significant disproportionality, and the list tier merely mitigates rather than erases this disproportionality. In contrast, the mixed-member proportional systems prioritize the list tier, that is, the second ballot, and each party’s total seat share is proportional to the list tier vote share.

2. The KMT, which was founded on the mainland, was the ruling party of the Republic of China on the mainland. It moved to Taiwan in 1949 after losing the civil war with the Chinese Communist Party.

3. As explained below, the prereform system was technically a mixed system since it had a nominal tier, with voters choosing specific candidates in the SNTV tier, as well as a list tier (see Farrell 2011). However, for the purpose of clarity, this chapter will refer to the prereform system as an SNTV system. In an SNTV system, each district has one or more seats and each voter can cast only one ballot for one specific candidate. There is no provision for preference rankings, so if a voter supports a candidate who does not win, the vote cannot be transferred to a second-favorite candidate.

4. Before 2000, the constitution could be amended by the National Assembly alone upon the proposal of one-fifth of the total delegates and by a resolution of three-fourths of the delegates present at a meeting having a quorum of two-thirds of the entire Assembly. The KMT government took advantage of its overwhelming majority in the National Assembly to pass six constitutional amendments during the 1990s.

5. The second stage was changed into a national referendum when the 2005 constitutional amendment abolished the National Assembly.

6. Both the learning effect of the 2000 presidential election and the centripetal effect of the plurality rule pushed the effective number of presidential candidates toward two in the ensuing presidential elections, as shown in figure 10.3. This downward trend may well affect the effective number of parties in legislative elections.

7. The DPP legislator Zhang Xue-shun used a sensational approach, pointing to the majority KMT as the “source of chaos and disorder” in the Legislative Yuan and argued that halving the seats would bring back order. See Commercial Times, November 24, 2000.
8. According to Lijphart (1997, 74), given the district magnitude $M$, the effective threshold is $0.75/(M + 1)$.

9. Article 24 of the Election and Recall Act provides that unless a party has attained 2.0% and more of the total valid votes in the recent presidential election or has won at least 2.0% of the votes in the previous three legislative elections or has five seats or more in the Legislative Yuan, it has to nominate at least 10 candidates in SMDs or indigenous districts in order to qualify for a party list.

References


