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Does democracy breed integrity? Corruption in Taiwan during the democratic transformation period

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Abstract Taiwan's transformation from single-party authoritarianism to multiparty democracy has been considered one of the best cases among the third-wave democratizations. Has this best-case democratization created a clean government? Does democracy breed integrity? The purpose of this paper is to answer this research question by using corruption measurement data from the Corruption Perceptions Index, Governance Indicators, Global Corruption Barometer, and the Taiwan Integrity Survey. According to the data analyzed in this paper, the people of Taiwan doubt the integrity of their government. This is especially true of their elected officials and political appointees. The message from the data is clear: Taiwan's democratic transformation has not improved but rather has blemished the integrity of the government. Taiwan needs to exert greater effort to promote integrity, fight corruption, and rebuild public trust in the government. The challenge remains for political leaders to prove that they are not actually fuelling corrupt practices, but doing the best they can to enhance transparency, accountability, and integrity. However, in addition to expecting self-control and strong commitment to integrity from their leaders, citizens must play a more active and aggressive role in building a system of integrity and ensuring good democratic governance.

Since its retreat from mainland China to Taiwan in 1949, the Nationalist Party (the Kuomintang or KMT) controlled almost every aspect of the country, and Taiwan became a single-party authoritarian regime. The fights against this authoritarian regime never ceased, but it was not until 1986 that the opposition force was strong enough to form an opposition party, the Democratic Progressive Party (DPP), to mobilize a nationwide challenge to the KMT. In 1987, one year after the birth of DPP, President Chiang Ching-kuo lifted the marshal law, and the process of democratic transformation in Taiwan got started officially.

During the democratic transformation period, corruption issues were more visible and salient in election propaganda than any other political issues [7]. In fact, the DPP's anti-corruption campaigns of the 1990s were a critical factor in terminating the single-party authoritarian regime controlled by the KMT for over fifty years. In May 2000, when the

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KMT peacefully turned over the presidency to the DPP, Taiwan was considered as one of the best cases among the third-wave democratizations. As Rigger [15: 285] argues:

> Taiwan's transformation from single-party authoritarianism to multiparty democracy came about with very little violence or bloodshed. Nor did it require wrenching economic or social upheavals. In fact, one might describe Taiwan's experience as a 'best-case' democratization.

Has this best-case democratization created a clean government? Does democracy always breed integrity? Based on the past experience, the answer is: not necessarily. In reviewing the Italian case, Colazingari and Rose-Ackerman [5: 469] indicate that democracy is not necessarily an antidote to corruption:

> A shift from authoritarian to democratic rule does not necessarily reduce payoffs. Rather it redefines the country's norms of public behavior. A country that democratizes without also creating and enforcing laws governing conflict of interest, financial enrichment, and bribery risks undermining its fragile new institutions through private wealth seeking.

Is the above argument true in the case of Taiwan? More specifically, has democratic transformation in Taiwan, especially the party turnover in the central government, created a clean government or has it made the state more corrupt? The purpose of this paper is to answer this research question by using corruption measurement data from various sources. This paper is divided into five sections. In the first section, the measurements of corruption/integrity are discussed. Section two presents and discusses data from the Corruption Perceptions Index and Governance Indicators, focusing on Taiwan's data, with a comparison of data from other countries and territories in East Asia.[1] Section three and section four present and discuss data from the Global Corruption Barometer and the Taiwan Integrity Survey respectively; salient corruption issues in Taiwan covered by mass media in 2006 are also illustrated. The concluding section argues that Taiwan needs to work toward strong democracy and good governance in order to maintain its reputation as the best case among the third-wave democratizations in the world.

The measurement of corruption and integrity

Is governmental integrity rhetoric or reality? Since corruption undermines democratic, economic, and social development of a country, opposing corruption has become a worldwide movement aligning the public, private and third sectors. With such awareness, strategies and initiatives for fighting corruption have been developed. One of the tools for combating corruption is continuously monitoring the integrity of the government as well as society as a whole. Yet, measuring integrity and corruption is a long-standing concern of scholars and practitioners. Effectively measuring the extent of integrity is never an easy task, since corruption always accompanies multifaceted structural problems, such as political decay, institutional unhealthiness, and judicial failure. Despite the difficulties in

[1] For the purpose of this paper, East Asia includes China, Hong Kong, Japan, Macao, Singapore, South Korea, and Taiwan.

measuring corruption and integrity, academics and practitioners have conducted numerous studies and collected empirical evidence for improving measurement techniques.

Researchers define integrity as "individuals upholding the obligation of office by implementing public programs in accordance with laws and rules, as well as in support of the public intent or the collective interest" [19: 719]. In other words, public officials and politicians who hold public authority shall be responsible and accountable for performing duties in accordance with norms, laws, rules, and ethical standards as they pursue public interests rather than private gain. Moreover, for individual public servants, the notion of integrity serves as "an internal moral compass that guides the behavior of public professionals" [19: 719]. Therefore, at some level, integrity can be regarded as a measure of public servants' professionalism.

Corruption is one of the major causes of public distrust in governments [6]. Utilizing data from the East Asia Barometer, Chang and Chu [4] found a strong link between political corruption and the decline of institutional trust in Asian democracies. Thus, combating corruption and enhancing civil servants' integrity have become critical for restoring public trust in governments [19]. Without a doubt, corruption undermines both the democratic development and the economic competitiveness of countries [20]. Public corruption has been defined as "the abuse of public office for private gain" [3: 421]. Opposing corruption has become a top policy priority in many countries in the 21st century. However, there is no quick solution to successfully fighting -corruption and enhancing integrity; continuously investigating and measuring the degree of corruption and exposing it to the public could be one of the possible ways.

The most prominent contribution to the development of a diagnostic tool for measuring public integrity is the result of the efforts of a number of international organizations. Due to their efforts, several cross-national indicators for measuring corruption, i.e., the opposite of integrity, have been developed. For instance, the World Economic Forum's (WEF's) Global Competitiveness Report, a leading assessment of the competitive condition of economies worldwide, is composed of the Growth Competitiveness Index and the Business Competitiveness Index. Public integrity, in particular, is considered a perceptual measure of competitiveness of public institutions.[2] The World Bank is also developing a new set of Governance Indicators (GI), which measure six critical dimensions of governance. The degree of effort in controlling corruption of a given country is one of the dimensions [12].

On the business side, the Business Environment and Enterprise Performance Survey (BEEPS), a joint effort of the European Bank for Reconstruction and Development (EBRD) and the World Bank, scrutinizes the extent of the facilitation provided and the constraint imposed by governmental policies on business investment activities [8]. The BEEPS not only inspects administrative corruption by public officials, but also examines the intent of firms that try to influence government policies and regulations by illegal means [8].

Moreover, Transparency International (TI), an anticorruption nongovernmental organization based in Berlin, first published its Corruption Perceptions Index (CPI) in 1995, and it has released survey results annually ever since. The CPI demonstrates a cross-national study of corruption that aggregates multiple expert and business surveys. A snapshot of the views of business people and country analysts for the current or recent years can be taken from the index. Another corruption measurement tool developed by the TI is the Global Corruption Barometer (GCB). The GCB is a worldwide public opinion survey conducted

[2] See http://www.weforum.org/site/homepublic.nsf/Content/Global+Competitiveness+Programme.

for TI by Gallup International. Initiated in 2003, the GCB assesses the tendencies toward corruption worldwide by surveying people's perception of corruption and experiences with bribery in selected countries each year.[3]

In addition to all the integrity and corruption measures published by international organizations, a great number of institutions in Taiwan have also conducted various surveys to monitor the integrity and corruption of the government. These include central and local government agencies, academic institutions, mass media, and nongovernmental organizations. Among all these surveys, a longitudinal research project—the Taiwan Integrity Survey (TIS)—conducted by TI's chapter in Taiwan on behalf of the Ministry of Justice since 2003 is probably the most systematic measure of governmental integrity and corruption in Taiwan.

Most analyses of integrity and corruption are based partly upon perceptual surveys. Survey-based or perceptual measures of corruption, however, have been criticized as being weak in reliability, since respondents who are involved in corruption may not report the whole experience. In addition, those not involved can only report perceptions rather than provide accurate information [9, 10]. For example, regarding the CPI, which is drawn from worldwide data, scholars argue that the index is more reliable and accurate for developed countries than less developed ones[9]. Responding to this critique, Kaufmann et al. [11: 16–19] argue that researchers who investigate governance issues such as corruption may encounter the unavailability of valid direct measures and objective data. In this regard, examining subjective perceptions of the public and/or the elite could function as an alternative way, even if it is still not problem-free.

Accordingly, this article uses data from the CPI, the GI, the GCB, and the TIS to demonstrate current governmental integrity and corruption in Taiwan. While the CPI and GI are concerned with the extent to which public corruption exists across countries based on expert views, the GCB and the TIS investigate the public's attitudes toward and experiences of corruption.

Results from the Corruption Perceptions Index (CPI) and Governance Indicators (GI)

As mentioned before, TI has conducted the CPI annually since 1995. The CPI is compiled each year from various surveys of businesspeople, academics and risk analysts across countries and territories. The CPI is a composite index, a poll of polls. For example, the 2006 CPI drew on 12 different surveys from nine independent and reputable institutions.

The number of countries covered in the CPI ranking has gradually increased from 42 countries and territories in the initial year to 163 in 2006 due to the increasing availability of surveys of corruption worldwide (see Table 1 for details).[4] Each country in the CPI is

[3] For information regarding the CPI and GCB, please refer to http://www.transparency.org/tools/measurement.

[4] Manion [13: 6] summarized the literature and pointed out: "The availability (and increasing acceptability) of subjective measures of corruption, such as the CPI, has given impetus in recent years to cross-national statistical studies of corruption. These analyses have increased our knowledge about consequences of corruption. Ceteris paribus, more corruption is generally associated with less investment, lower growth, lower income, higher child mortality, less government spending on education, and weaker political system support. Progress has also been made using subjective measures to examine causes of corruption. Analysts basically agree that, ceteris paribus, British colonial heritage and Protestantism contribute to less corruption, as do economic liberalization and higher per capita income. There is support for a relationship between political freedoms and less corruption, but findings disagree on the strength of this relationship and whether or not long experience of democracy is required for any significant impact. There is disagreement on the relationship between corruption and trade openness, administrative centralization, and country size."

Table 1 CPI ranks and scores for countries and territories in East Asia, 1995–2006

	CPI	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Singapore	Rank	3	7	9	7	7	6	4	5	5	5	5	5
	Score	9.3	8.8	8.7	9.1	9.1	9.1	9.2	9.3	9.4	9.3	9.4	9.4
Hong Kong	Rank	17	18	18	16	15	15	14	14	14	16	15	15
	Score	7.1	7.0	7.3	7.8	7.7	7.7	7.9	8.2	8.0	8.0	8.3	8.3
Japan	Rank	20	17	21	25	25	23	21	20	21	24	21	17
	Score	6.7	7.1	6.6	5.8	6.0	6.4	7.1	7.1	7.0	6.9	7.3	7.6
Macao	Rank	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	26
	Score	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6.6
Taiwan	Rank	25	29	31	29	28	28	27	29	30	35	32	34
	Score	5.1	5.0	5.0	5.3	5.6	5.5	5.9	5.6	5.7	5.6	5.9	5.9
South Korea	Rank	27	27	34	43	50	48	42	40	50	47	40	42
	Score	4.3	5.0	4.3	4.2	3.8	4.0	4.2	4.5	4.3	4.5	5.0	5.1
China	Rank	40	50	41	52	58	63	57	59	66	71	78	70
	Score	2.2	2.4	2.9	3.5	3.4	3.1	3.5	3.5	3.4	3.4	3.2	3.3
Total countries and territories		42	54	52	85	99	90	91	102	133	146	159	163

Source: www.transparency.org/

given a score on a ten-point scale, calculated from at least three surveys. A higher score signifies less corruption perceived in the territory. For example, the 2006 CPI scores of East Asia countries/territories, presented in Table 1, range from 9.4 for the cleanest ranked country (Singapore) to 3.3 for the country viewed as most corrupt (China).

Among the 163 countries and territories included in the 2006 CPI, Singapore was ranked fifth, the cleanest country in Asia. Following Singapore, the rankings of the countries and territories in East Asia are Hong Kong (15th), Japan (17th), Macao (26th), Taiwan (34th), South Korea (42nd), and China (70th). For the six countries and territories that have been included in the CPI rankings since 1995 (excluding Macao), the order has been fairly consistent over the past 12 years. Overall, Taiwan has been considered as relatively clean, ranked in the top 25 percent in the world.

The rankings in different years must be interpreted with caution because the number of total countries and territories included in the CPI study has varied quite a lot, from 42 in 1995 to 163 in 2006. Accordingly, TI suggested the use of CPI scores, instead of rankings, for making year-to-year comparisons. Figure 1 shows the CPI scores for Taiwan during the past 12 years, indicating a trend of improvement.

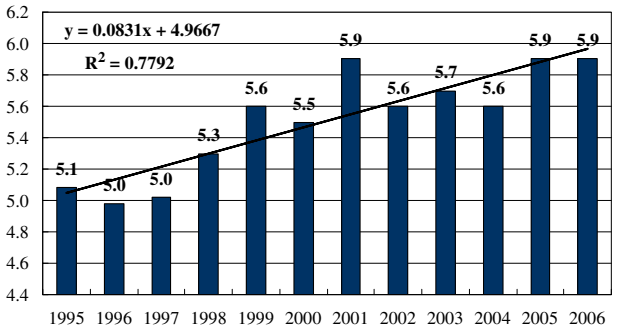

Fig. 1 CPI scores for Taiwan, 1995–2006. Higher scores indicate higher levels of integrity. Source: www.transparency.org/

This trend, determined by opinion surveys and expert assessments, seems incongruent with the public's perception in Taiwan. Three reasons might account for this paradox. First, the CPI seems to be an inflated index. Looking at all countries and territories in East Asia, the CPI scores have increased over the past 12-year period. Second, the CPI is an insensitive index because it uses a country or territory as the unit of analysis and draws on corruption-related data from a variety of sources. Third, the CPI is also a lagged index because it uses data from the past three years. Although this methodology was changed in 2006, which used only two years of data, the CPI might still be unable to reflect the recent developments and situations in a specific country. Perhaps, as TI indicates, even using scores instead of rankings, the CPI is still not suitable for making longitudinal comparisons. The reasons for year-to-year changes in a country's score are complicated and confounded. These changes can either result from a changed perception of a country's corruption or from a change in the CPI's samples and methodology.

The trend in perceptions of corruption in Taiwan, as shown by the CPI, is also in conflict with other measurements of corruption. For example, the study by Kaufmann et al. [12] presents the updated aggregate governance research indicators for 212 countries and territories from 1996 to 2006. This study included six dimensions of governance: (1) voice and accountability, (2) political stability and absence of violence, (3) government effectiveness, (4) regulatory quality, (5) rule of law, and (6) control of corruption. The six governance indicators are measured in units ranging from about −2.5 to 2.5, with higher values corresponding to better quality of governance. The indicators are constructed using data given by a large number of business, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think-tanks, nongovernmental organizations, and international organizations. Table 2 shows the scores from the control of corruption for the seven countries and territories in East Asia over the period from 1996 to 2006.

Figure 2 shows the trend of this measurement. Compared to Fig. 1, which demonstrates a upward trend, Fig. 2 shows a quite opposite result. These two figures paint different perceptions of the corruption in Taiwan. As we can see from the following two sections, which review the results from the GCB and the TIS, the trend in Fig. 2 is more congruent with the public's perception in Taiwan.

Warnings from the Global Corruption Barometer (GCB)

The TI 2006 GCB reflects the survey findings of 59,661 people in 62 low-, middle-, and high-income countries. The survey was carried out on behalf of TI by Gallup International

Table 2 GI control of corruption scores for countries and territories in East Asia, 1996–2006

	1996	1998	2000	2002	2003	2004	2005	2006
Singapore	2.25	2.29	2.25	2.33	2.36	2.44	2.25	2.30
Hong Kong	1.53	1.30	1.31	1.45	1.50	1.59	1.69	1.71
Japan	1.21	1.10	1.24	1.13	1.07	1.16	1.25	1.31
Taiwan	0.74	0.83	0.79	0.71	0.66	0.67	0.64	0.53
Macao	NA	0.48	0.45	−0.06	0.82	1.35	0.55	0.41
South Korea	0.52	0.07	0.14	0.33	0.40	0.22	0.47	0.31
China	−0.09	−0.22	−0.36	−0.40	−0.49	−0.57	−0.68	−0.53

Source: http://info.worldbank.org/governance/wgi2007/pdf/2006WorldwideGovernanceIndicators.xls

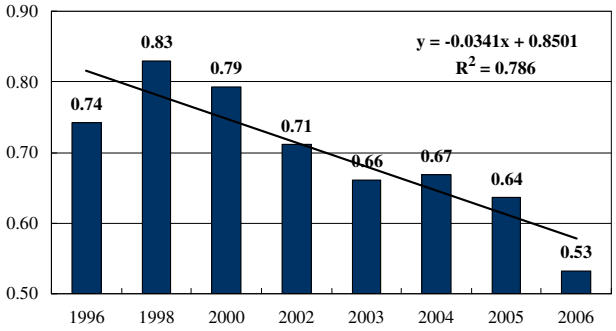

Fig. 2 GI control of corruption scores for Taiwan, 1996–2006. A lower score indicates greater levels of corruption. Source: http://info.worldbank.org/governance/wgi2007/pdf/2006WorldwideGovernanceIndicators.xls

as part of its Voice of the People survey between July and September 2006. For Taiwan, the sample size was 1,000 people.

The 2006 GCB asked respondents to assess to what extent corruption affects different spheres of life, including personal and family life, the business environment, and political life. The wording of the question and the scale of measurement were as follows: "Some people believe that corruption affects different spheres of life in this country. In your view, does corruption affect the following sphere: (1) not at all, (2) to a small extent, (3) to a moderate extent, or (4) to a large extent?" As indicated in Table 3, the results show that political life is the sphere thought to be most affected by corruption, followed by the business environment, and personal and family life.

The impact of corruption on personal and family life is relatively less of a concern to people in Taiwan. Two reasons might account for this result. First, in another question asked in the 2006 GCB—"In the past 12 months have you or has anyone living in your household paid a bribe in any form?"—98 percent of the respondents in Taiwan answered "no." This result on the experience of bribery indicates "administrative" corruption or petty corruption is not a serious problem in Taiwan, as compared with "political" corruption or grand corruption. Second, as Transparency International [18: 16] indicates, "One could argue that this may be an instance where the public compares real experience—whether corruption has caused personal hardship—with perceptions of how corruption affects society more broadly, such as in the scandals reported in the media. The latter may often be viewed as more ever-present and pervasive in its influence." The numerous political scandals that were widely covered by the mass media in Taiwan in 2006 have had a strong agenda-setting effect on the public's perception.

It is worth noting that respondents' answers for the three spheres of life are aligned to a great extent. In particular, there is a statistically significant correlation between perceived corruption in business and political life. Thus respondents who perceive corruption to be a problem in the business environment are more likely to perceive it to be a problem in the

Table 3 Impact of corruption on different spheres in Taiwan, 2006 GCB

Spheres	Not at all (%)	To a small extent (%)	To a moderate extent (%)	To a large extent (%)	Don't know/not available (%)
Your personal and family life	15	15	29	38	2
Business environment	2	4	14	78	2
Political life	1	2	8	87	2

Source: Transparency International [18]

Table 4 Corruption affects political life to a large extent, 2006 GCB

Corruption affects political life to a large extent	Countries responding yes
More than 70%	Bolivia, Cameroon, Greece, **South Korea, Taiwan**
51–70%	Albania, Argentina, Bulgaria, Chile, Croatia, France, Gabon, **Hong Kong**, Indonesia, Israel, Italy, Kenya, Macedonia, Mexico, Nigeria, Peru, Paraguay, Philippines, Poland, Portugal, Romania, South Africa, Russia, Senegal, Spain, Turkey, UK, Ukraine, US
31–50%	Canada, Colombia, Congo-Brazzaville, Czech Rep., Dominican Rep., Fiji, Germany, Iceland, India, **Japan**, Kosovo, Moldova, Morocco, Pakistan, Panama, Serbia, **Singapore**, Thailand, Venezuela
11–30%	Austria, Denmark, Finland, Luxembourg, Malaysia, Netherlands, Norway, Sweden, Switzerland

Source: Transparency International [18]

political environment. This correlation, to a certain extent, indicates the severe problem of a corrupt coalition between businesspeople and politicians in Taiwan.

The ordering of the impact of corruption on different spheres in Taiwan is the same in almost all countries covered by the survey. Although almost all countries demonstrate a perception that corruption is a major problem in political life, the seriousness of this problem is considered differently among various countries. As Table 4 shows, in only five countries did more than 70 percent of the respondents consider that corruption affected the political sphere to a large extent. Taiwan is one of these five countries, indicating a low trust in government.

The low trust in government is also evident in the data from another question asked in the 2006 GCB. The question is: "How would you assess your current government's actions in the fight against corruption?" The answers to this question include the following: (1) the government is very effective in the fight against corruption, (2) the government is effective in the fight against corruption, (3) the government is not effective in the fight against corruption, (4) the government does not fight corruption at all, (5) not only does the government not fight against corruption but it encourages it, (6) don't know/not available. Figure 3 shows the distribution of these six choices for Taiwan.

Most respondents have a poor opinion of the government's anti-corruption efforts. Roughly 33 percent of the respondents surveyed in Taiwan think the government is "not effective" in its anti-corruption work; 15 percent believe that their government is "not

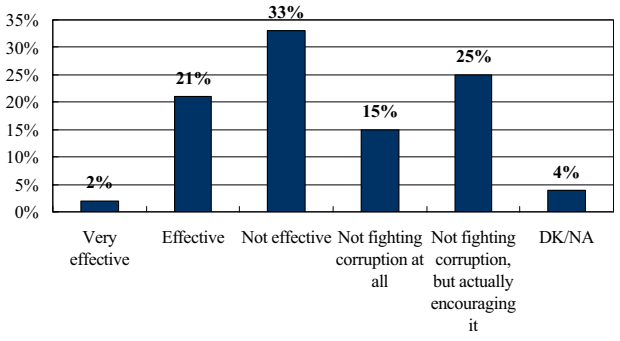

Fig. 3 Assessing the Taiwanese government's actions in the fight against corruption, 2006 GCB. Source: Transparency International [18]

fighting corruption at all." Perhaps most worrisome is the fact that about 25 percent of the people in Taiwan believe that not only is the government not effective in its anti-corruption work, but that government is actually a source of the problem in that it encourages corruption. Only 23 percent labeled the government's actions "effective" or "very effective."

Skepticism is not unique to Taiwan. According to the 2006 GCB, government performance in the fight against corruption is not felt to be adequate in most countries. People around the world tend to be very negative about their government's attempt to fight against corruption. Roughly 22 percent of the respondents surveyed worldwide think that their government is effective to some degree in fighting against corruption; 38 percent say the government is not effective in its anti-corruption work; 16 percent believe that their government does not fight corruption at all; and 15 percent think that their government actually encourages corruption rather than fighting it.

The 2006 GCB also provides data showing the extent to which people perceive corruption affecting different sectors and institutions in their country. The wording of the questions and the scale of measurement are as follows: "To what extent do you perceive the following categories in this country to be affected by corruption? Please answer on a scale from 1 to 5 (1=not at all corrupt, 5=extremely corrupt)." The perceptions of the levels of corruption in 14 major sectors and institutions in Taiwan are shown in Table 5 and Fig. 4.

The results show that political parties and parliament and legislature are perceived to be most affected by corruption. About 63 percent of the respondents perceived political parties as extremely corrupt and 27 percent as corrupt. Together, approximately nine out of every ten people in Taiwan have low respect and trust for the integrity of political parties. Similarly, about 63 percent of the respondents perceived parliament/legislature to be extremely corrupt and 23 percent corrupt. Together, about 86 percent of people in Taiwan considered the Legislative Yuan to be under the great impact of corruption. The police are also viewed rather poorly, with 46 percent considering them as extremely corrupt and 29 percent corrupt.

Table 5 Impact of corruption on different sectors and institutions in Taiwan, 2006 GCB

Sectors and institutions	(1) Not at all corrupt (%)	(2) (%)	(3) (%)	(4) (%)	(5) Extremely corrupt (%)	Don't know/not available (%)
Political parties	0	1	5	27	63	3
Parliament/legislature	0	4	5	23	63	5
Business/Private sector	1	20	17	29	28	4
Media	3	24	20	21	18	13
The military	1	9	12	28	41	8
Education system	2	21	21	30	24	3
Legal system/judiciary	2	14	14	28	36	6
Medical services	2	16	15	31	33	3
Police	1	10	12	29	46	2
Registry services	15	47	19	11	4	3
Utilities	3	21	16	25	32	4
Tax revenue	4	23	17	23	24	8
NGOs	1	12	17	30	33	8
Religious bodies	2	17	19	29	28	4

Source: Transparency International [18]

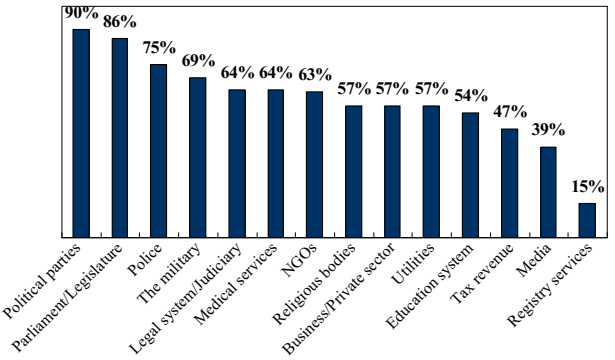

Fig. 4 Impact of corruption on different sectors and institutions in Taiwan, 2006 GCB: percentage of total respondents who considered such sector or institution corrupt or extremely corrupt. Source: Transparency International [18]

These results coincide with findings around the world. As Transparency International [18: 13–14] points out:

> Identifying parties, parliaments and police as corrupt throws into question some of the most representative and authoritative institutions in a society, and puts at risk their capacity to perform credibly with any degree of transparency and integrity. The results are consistent with those of the Barometers in 2005 and 2004, and the lack of improvement is disappointing. The perception of parties and parliaments as most corrupt reinforces the view that governments are not on the whole acting effectively in fighting corruption. Rather, they themselves are seen to be a part of the problem, creating a dynamic in which they actually encourage corruption in a country.

A comparison between the 2006 and 2005 data in Taiwan deserves special attention (see Table 6). In the survey of 2005, about 69 percent of the respondents perceived political parties to be extremely corrupt or corrupt, but in 2006, the percentage increased to 90 percent. As for parliament/legislature, about 78 percent of respondents perceived it as extremely corrupt or corrupt in 2005, but in 2006, the total was 86 percent.

Table 6 Impact of corruption on different sectors and institutions in Taiwan, 2005 and 2006 GCB

Respondents who considered such sector/institution corrupt or extremely corrupt	2005 (%)	2006 (%)
Political parties	69	90
Parliament/legislature	78	86
Police	45	75
The military	48	69
Legal system/judiciary	43	64
Medical services	32	64
NGOs	7	63
Religious bodies	16	57
Business/private sector	36	57
Utilities	41	57
Education system	25	54
Tax revenue	35	47
Media	19	39
Registry services	5	15

Sources: Transparency International [17, 18]

This pattern of increase applies to all other sectors and institutions. The 2006 GCB highlights a substantial increase in the perceived level of corruption in all sectors: police (+30 percent), the military (+21 percent), legal system/judiciary (+21 percent), medical services (+32 percent), NGOs (+56 percent), religious bodies (+41 percent), business/private sector (+21 percent), utilities (+16 percent), education system (+29 percent), tax revenue (+12 percent), media (+20 percent), and registry services (+10 percent). There might be many reasons that could account for this trend, including a possible measurement error, an effect on public perception due to a number of serious political scandals, the cynicism of the public brought by the mass media's overselling the dark side of society, and so on. But in any case, the public's decreasing trust in many major sectors and institutions does seem to be true, even if the problem is not as serious as these figures might indicate. The implications of this signal should not be regarded lightly.

Taiwan's results must be put in perspective. Table 7 shows findings for four other countries or territories in East Asia. In this table, TI converted the percentages from the survey into a five-point scale. A higher score represents a poorer public perception of the corruption of a specific sector or institution. As shown in Table 7, Taiwan's scores in almost all sectors and institutions are higher than the scores for Hong Kong, Japan, Singapore, South Korea, and the global average.

To be sure, we need to be very cautious with this kind of cross-nation comparison, for people in different countries might have different standards for integrity. Nevertheless, these results send a strong message to Taiwan's government and society as a whole: along with the democratic transformation process, Taiwan needs to put more effort into fighting corruption and building a national system of integrity. Such efforts should be made most urgently by the political parties and the Legislative Yuan. As TI Policy and Research Director Robin Hodess urged in the 2006 GCB press release, "Legislatures are elected with a precious mission: to place the interests of their citizens above their own. The Barometer shows that this trust is being violated, at great cost to the legitimacy of elected officials in many countries. The democratic process is at stake if this warning is not heeded."

Self diagnosis from the Taiwan Integrity Survey (TIS)

The TIS is a longitudinal research project initiated by the Ministry of Justice in 1997. Up until now, 13 nationwide surveys have been conducted. Starting in 2003, five surveys were conducted by the TI's chapter in Taiwan on behalf of the Ministry of Justice. The purpose of these surveys is to investigate the public perception of the integrity of public officials. For the 2006 data, a telephone survey was administered during the period from July 1–5, covering 1,604 residents in Taiwan. For the 2005 data, a telephone survey was conducted in the period from July 1–5, covering 1,616 residents in Taiwan.

Similar to but slightly different from the GCB, the TIS investigates the public's perception of the integrity of 21 types of public officials in Taiwan. The measurement scale is from 0 to 10, with 10 representing high integrity and 0 representing high corruption. Table 8 shows the results of the 2006 and 2005 surveys.

Overall, these results show that people see the problem of corruption worsening, with an average score of 4.92 in 2005 dropping to an average score of 4.79 in 2006. There is a widespread perception that the elected officials and political appointees, who ought to represent the public interest, are in fact most likely to abuse their entrusted power for private gain. According to 2006 data, legislators (rank 20 with a score of 3.65), cabinet ministers/executives (rank 18 with a score of 3.82), city/county councilors (rank 17 with a

Table 7 Impact of corruption on different sectors and institutions, East Asia, 2006 GCB. Response to the following question: To what extent do you perceive the following sectors in this country/territory to be affected by corruption? (1=not at all corrupt, 5=extremely corrupt)

	Political parties	Parliament/ legislature	Business/private sector	Police	Legal system/ judiciary	Media	Tax revenue	Medical services	Education system	The military	Utilities	Registry and permit services	NGOs	Religious bodies
Global average	4.0	3.7	3.6	3.5	3.5	3.3	3.3	3.1	3.0	3.0	3.0	2.9	2.9	2.8
Hong Kong	3.5	2.9	3.9	3.4	2.6	3.7	2.3	2.6	2.6	2.8	2.4	2.2	3.4	2.5
Japan	4.0	3.7	3.6	3.6	3.0	3.4	3.2	3.6	3.1	3.1	3.0	2.7	3.0	3.7
Singapore	2.1	1.8	2.5	1.9	2.0	2.2	1.8	1.8	1.8	1.9	1.8	1.8	2.5	2.1
South Korea	4.3	4.2	3.7	3.3	3.5	3.5	3.3	3.1	3.3	3.2	2.4	2.4	2.9	3.1
Taiwan	4.5	4.5	3.7	4.1	3.9	3.3	3.4	3.8	3.5	4.1	3.6	2.4	3.9	3.7

Source: Transparency International [18]

Table 8 Perceptions of integrity for 21 types of public officials in Taiwan, 2005 and 2006 TIS

Types of public officials	2005		2006	
	Mean	Rank	Mean	Rank
Civil servants in general	5.83	2	5.83	1
Public medical treatment staff	6.04	1	5.81	2
Division of motor vehicles officers	5.69	3	5.71	3
Environmental protection inspectors	5.55	5	5.68	4
Fire brigade inspectors	5.58	4	5.50	5
Tax collectors	5.54	6	5.48	6
Prosecutors	5.49	7	5.33	7
Judges	5.28	8	5.14	8
Funeral-burial staff	5.03	10	4.96	9/10
Customs officers	4.91	11	4.96	9/10
Prison and detention center staff	4.68	14	4.93	11
Police officers	5.09	9	4.88	12
Commerce-industry inspectors	4.53	15	4.49	13
City/county heads/directors	4.78	12	4.44	14
Town/township/city chiefs	4.46	16	4.35	15
Town/township/city councilmembers	4.32	17	4.27	16
City/county councilors	4.07	18	3.91	17
Cabinet ministers/executives	4.73	13	3.82	18
Procurement or construction staff	4.00	19	3.77	19
Legislators	3.95	20	3.65	20
River and gravel inspectors	3.77	21	3.61	21
Average	4.92		4.79	

Source: Transparency International-Taiwan [17, 18]

score of 3.91), town/township/city councilmembers (rank 16 with a score of 4.27), town/township/city chiefs (rank 15 with a score of 4.35), and city/county heads/directors (rank 14 with a score 4.44) are considered relatively corrupt as compared with most career civil servants. This result is consistent with that from the 2006 GCB, in which people expressed great concern about the role of political parties and elected politicians in the corruption equation.

The change in the ranking and score of cabinet ministers/executives from 2005 to 2006 deserves special attention. In 2005, cabinet ministers/executives were ranked 13th with a score of 4.73. In 2006, the public gave them a score of 3.82 and 18th in ranking, demonstrating a significant drop from the previous year. Taking a longer view, Table 9 and Fig. 5 show perception changes regarding cabinet ministers/executives' integrity during the period from 1997 to 2006. Corruption in civil servants is relatively less of a problem. Scores of perceived integrity of civil servants in Taiwan climbed from 5.47 in 1997 up to 5.83 in 2006. However, legislators and cabinet ministers/executives were a different story. Legislators' perceptual integrity slipped consistently from 4.27 in 1997 to 3.65 in 2006, while perceived integrity of cabinet ministers/executives dropped sharply from 5.07 in 1997 to 3.83 in 2006. In contrast to the longstanding negative attitude toward legislators by the public, cabinet ministers/executives lost people's respect quite substantially in the past decade. It also deserves closer attention that perceived integrity of both legislators and cabinet ministers/executives after the party turn-over in May 2000 was, on average, much lower than that before.

Table 9 Perceptions of integrity for three types of public officials, 1997–2006 TIS

Types of public officials	1997	1998	1998	1998	1999	2000	2001	2001	2003	2004	2004	2005	2006
	Jul	Mar	Jul	Nov	Mar	Oct	Mar	Sep	Aug	Jul	Oct	Jul	Jul
Legislators	4.27	4.50	4.32	4.34	4.30	4.07	4.07	4.20	3.97	4.01	4.04	3.95	3.65
Cabinet ministers/ executives	5.07	5.45	5.40	5.31	5.24	5.14	5.10	5.31	4.79	4.83	4.83	4.73	3.83
Civil servants	5.47	5.58	5.66	5.59	5.53	5.43	5.42	5.60	6.02	5.81	5.84	5.83	5.83

Source: http://www.ti-taiwan.org/ch.files/doc.files/news061213.doc

Why did cabinet ministers/executives lose the respect and trust of the people? A number of corruption scandals widely covered by the mass media in recent years might account for this change of perception.

- In January 2006, a former Fair Trade Commission vice chairman was accused of defrauding the Ministry of Economic Affairs of more than NT$500 million (US $15.7 million).
- In March 2006, Taipei prosecutors indicted a political official of the Ministry of Transportation and Communications and a businessman for bribery in connection with the installment of an Electronic Toll Collection (ETC) system for freeways.
- In April 2006, a National Science Council deputy minister was accused of unlawfully awarding an NT$8.05 billion (US$252 million) contract for a vibration-reduction project for the Southern Taiwan Science Park.
- In April 2006, a deputy secretary-general to the president was arrested on charges of bribery. He was convicted of corruption and sentenced to 12 years in prison on December 13th.
- In June 2006, the director-general of inspection at the Financial Supervisory Commission was subpoenaed for questioning by prosecutors for involvement in a stock market scandal.
- In August 2006, Taipei district prosecutors indicted a former chairman of the Financial Supervisory Commission for breach of trust in connection with his previous capacity as board chairman of the state-run Taiwan Sugar Company.
- In November 2006, a former vice minister of the interior was indicted for bribery in connection with the construction of a cable car system at Yangmingshan.

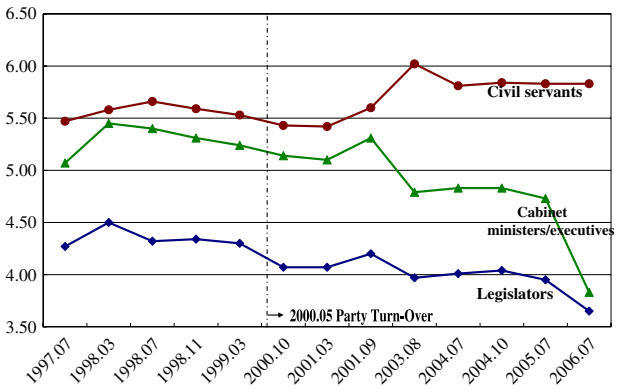

Fig. 5 Perceptions of integrity for three types of public officials, 1997–2006 TIS. A higher score indicates higher perceived levels of integrity. Source: http://www.ti-taiwan.org/ch.files/doc.files/news061213.doc

- In February 2007, a former Financial Supervisory Commission member was indicted on corruption charges. He was suspected of accepting bribes and lobbying illegally for several companies.
- In March 2007, a former minister of transportation and communications was accused of accepting a US$20,000 bribe, which was stuffed in a tea container, from two businessmen who own stakes in resorts, aquariums and freeway rest areas around the country.
- In May 2007, the director general of the state-funded National Space Organization was detained on suspicion of "passing favors" to an international broker.

All these corruption cases involved cabinet ministers and executives. They were higher in rank than those involved in similar scandals in previous years. In addition, more scandals exploded in 2006 and 2007 than ever before, and the press covered these scandals more intensively. Figure 6 shows the news reports on corruption in Taiwan from the United Daily News Group, one of biggest news groups in Taiwan. The increase in news reports on corruption in 2006 was dramatic. Given the mass media's strong agenda-setting effect on public perception [14], the public certainly has a much worse perception of the corruption regarding cabinet ministers and executives.

The low trust of cabinet ministers/executives fuels skepticism and cynicism of government. As mentioned previously, skepticism and cynicism are a worldwide phenomenon, but the image of the Taiwan government in fighting against corruption is quite weak, as 25 percent of people believe that their government actually encourages corruption rather than fights it. The TIS used another three questions to investigate the public's assessments of the government's performance in fighting corruption and promoting integrity in Taiwan. Figures 7, 8, and 9 present the results of these questions for three years.

In 2004, regarding the government's performance in fighting against corruption and black-gold politics, about 46 percent of the respondents felt dissatisfied and about 44 percent were satisfied. In 2005, the degree of dissatisfaction went up to 61 percent, while the percentage of satisfied respondents fell to 33. In 2006, the gap between the dissatisfied and the satisfied became even wider, 72 and 23 percent, respectively. By the same token, the public's satisfaction with the government's performance in investigating vote-buying has fallen lower and lower. In 2004, the percentage of satisfied respondents was only five percent lower than the dissatisfied rate (42 vs. 47 percent), but the gap became wider in 2005 (40 vs. 54 percent) and changed dramatically in 2006 (31 vs. 64 percent). When the respondents were asked about the future in the 2004 survey, 43 percent still felt optimistic about the improvement of government integrity, and this was higher than the 35 percent of

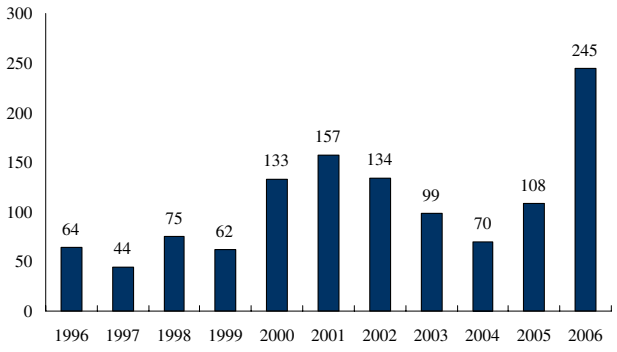

Fig. 6 Number of news reports on corruption in Taiwan. Source: http://udndata.com/

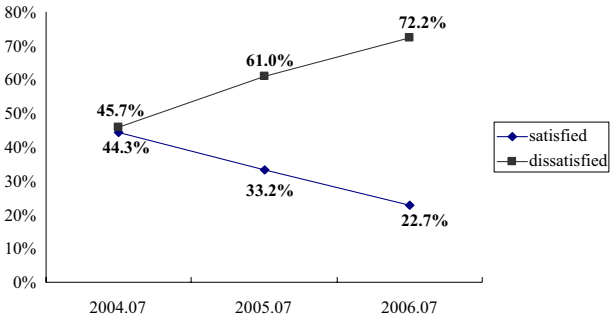

Fig. 7 Assessing the government's performance fighting against corruption and black-gold politics, 2004–2006 TIS. Source: http://www.ti-taiwan.org/ch.files/doc.files/news061213.doc

respondents who felt pessimistic. However, the feeling has shifted in recent years. Feelings of pessimism for the future have become stronger, as shown in the results from 2005 and 2006 (roughly 39 percent optimistic vs. 47 percent pessimistic).

One partial explanation for the results here may be the information asymmetry. People's eyes are captured by headlines of scandals over and over, but rarely are the daily anti-corruption efforts by various government agencies recognized. Another partial explanation, however, is the awareness of the public about the essence of political power and human nature, raised by the democratization over the past two decades in Taiwan.

In the late nineteenth century, historian Lord Acton issued an epic warning that political power is the most serious threat to liberty. In a letter to Bishop Mandell Creighton in 1887, he famously wrote: "All power corrupts, and absolute power corrupts absolutely. Great men are almost always bad men." A sudden surge in and revelation of corruption in Taiwanese politics have put Lord Acton's commentary on political power and human nature on splendid display. As politicians climb up along the ladder of power, they attract fraud and vice, eventually enveloping themselves in corruption and scandal driven by personal greed and selfish ambitions. It may be true that powerful people, whether small-time officials in rural towns or the president and the first family, cannot refuse the temptations that come with their political titles. It might be due to the nature of political power or the human nature, but, is it the price of democratic transformation? The answer should be negative.

Conclusion: searching for strong democracy and good governance

Information about public perception and experiences of corruption is vital to anti-corruption efforts. People's perception is an indicator of the success or failure of anti-corruption

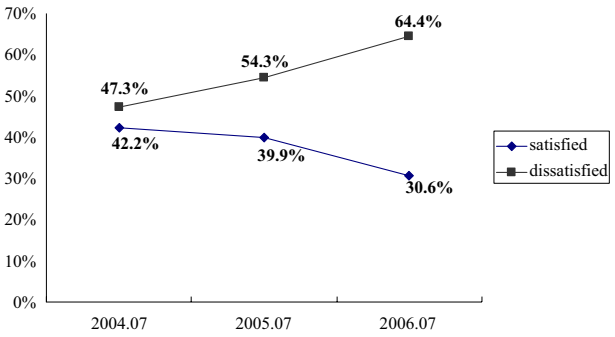

Fig. 8 Assessing the government's performance investigating vote-buying, 2004–2006 TIS. Source: http://www.ti-taiwan.org/ch.files/doc.files/news061213.doc

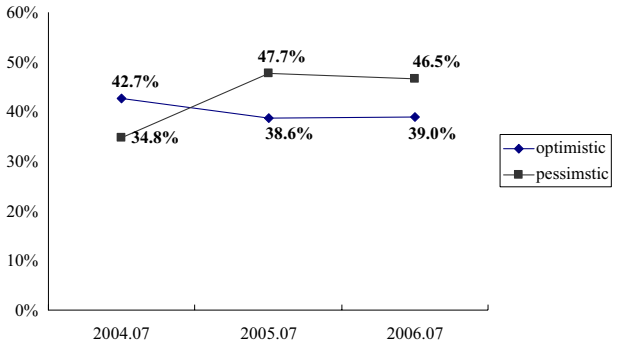

Fig. 9 Assessing the improvement of government integrity in the future, 2004–2006 TIS. Source: http://www.ti-taiwan.org/ch.files/doc.files/news061213.doc

policies and initiatives. In addition, it will be of help in assigning priorities to policy initiatives, managerial action, and anti-corruption efforts if data are made available to show which sectors, institutions, or public officials are considered most corrupt.

The data presented in this article show that the people in Taiwan doubt the integrity of their government. This is especially true of the elected officials and political appointees. Why did this happen? The message from the data is clear: Taiwan's democratic transformation has not improved, but rather has injured, the integrity of the government. Democratic transformation was not sufficient to control harmful corruption, especially political corruption. If political corruption arises in connection with democratic transformation, it will undermine the legitimacy of democracy. People will miss "the good old days," and even wish for "more bureaucracy and less democracy." As Chang and Chu [4: 256] succinctly pointed out:

> Political corruption is considered one of the most destructive yet unresolved problems common to most societies. Importantly, political corruption represents a direct and brutal betrayal of public trust placed in institutions, since political corruption revolves around situations where governmental officials entrusted by the public engage in malfeasance for private enrichment [2]. Because corruption recklessly violates the fundamental principles of democracy-such as accountability, equality, and openness-recent studies have suggested that corruption causes political distrust among citizens, thus leading to legitimacy crises in political systems [1, 16].

For sure, one could argue that the increase in corruption cases is indeed a result of democratic transformation. In Taiwan, the charges against the corrupt high-ranking officials were possible because of the independence of the judicial system, the strength of civil society, and the freedom of the press. None of these three factors exist in an authoritarian regime. This is true, but we must be aware that, for a number of democratic countries in the world that have all three of these factors, the number of cases of corruption has not been as high as those in Taiwan in recent years. As such, Taiwan needs to exert greater effort to promote integrity, fight corruption, and rebuild public trust in government.

In Taiwan, the challenge remains for political leaders to prove that they are not actually fuelling corrupt practices, but are doing the best they can to enhance transparency, accountability, and integrity. However, in addition to expecting that political leaders exercise self-control and refrain from corruption and show a strong commitment to integrity, citizens must play a more active and aggressive role in building a system of integrity and ensuring good democratic governance. Searching for strong democracy and

good governance is an indispensable step for Taiwan to maintain its reputation as the best case of the third-wave democratizations in the world.

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