

Does Economic Decay and Social Inequality Undermine Democracy in Taiwan?*

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Introduction

Following the Third Wave of democratization and the corresponding explosion in the number of democracies around the globe, scholars increasingly focus on whether citizens have come to accept democracy as “the only game in town” (Linz and Stepan 1996, 5). Economic variables are regarded some of the most relevant ones. Therefore, does economic decay and social inequality influence citizen’s support for democracy? This question was examined since the 1950s. Some theorists argued that rising living standards, growth of private ownership and of the urban middle classes and improved education constituted the main forces which led individuals to support democratic procedures for the resolution of social conflict (Lipset 1959; Rustow 1970). However, if society’s resources concentrate in the hands of a narrow elite, socioeconomic inequality may undermine democracy, which lay the foundation for the conditions that provoke popular pressures for redistribution and elite resistance to them (Acemoglu and Robinson 2001; Boix 2003).

Although economic development was believed that economic development would promote great socioeconomic equality, many developed and developing countries now have experienced substantial economic growth in conjunction with higher levels of income

inequality (Rueda and Pontusson 2000; Landa Kapstein and 2001; Kenworthy and Pontusson 2005). However, in Taiwan's case, the situation seems to be even more serious. There is not only increasing income inequality but also continuous economic decay in Taiwan since 1997. Furthermore, Taiwanese people, at least part of citizens, believe that the economic bonus resulted from the mitigation of the Cross-Strait relation is divide up by a small group of social elite. Consequently, a phenomenon of authoritarian nostalgia which Huntington (1991) mentioned in his famous work, *The Third Wave*, begins to spread on the island. A certain part of Taiwanese cherish the "good old days" while Taiwan was under soft-authoritarian rule with economic prosperity, political and social stability, and income equality.

However, we do not have to be suspicious and fearful about authoritarian nostalgia unless it has become a substantial threat to democracy. Therefore, the question shall be asked is whether this authoritarian nostalgia mainly resulted from dissatisfaction of socioeconomic inequality influences has undermined the young democracy in Taiwan or not. This article is trying to answer this question by analyzing survey data. I would like to demonstrate how individual-level traits influence individual's support for democracy.

The Relation between social inequality and democratic support

Most of research on socioeconomic distribution and democratic support has assumed that economic/social inequality best reflects the distributional conditions that lead to breakdown. However, there are several different approaches providing different expectations as to the effect that inequality has on democratic support. One is political economy theory, which suggests that democracy is a mechanism for redistributing resources from economic elites to citizens and that citizens will therefore desire democracy more strongly with more economic inequality (Acemoglu and Robinson 2001; Boix 2003). But most of survey literatures and area-studies literatures are using performance approach, which suggest that economic

inequality generates widespread disillusion with democratic regimes, leading to lower levels of democratic support (Karl 2000, MaKlintock 1999). The third approach is at a compromise position, which argues wealthier citizens possess the economic and cognitive resources and hence support democracy more than the poor (Bratton, Mattes, and Gymah-Boadi 2005; Welzel and Inglehart 2008).

However, an alternative approach is developed recently. Krieckhaus, Son, Bellinger, and Wells (2014, 139) argue that a broader theoretical framework is required for thinking about economic inequality and democratic support. They drew from the literature on economic voting and then distinguish between citizens who engage in retrospective versus prospective evaluations and between citizens' sociotropic versus egocentric evaluations of inequality. Hence citizens are divided into four different groups as the following Figure 1 shows.

Figure 1: Distinct Theoretical Perspective

| | Prospective | Retrospective |
|-------------|------------------------------------|--------------------------------------|
| Sociotropic | <i>prospective sociotropic</i> | <i>Retrospective sociotropic</i> |
| Egocentric | <i>prospective egocentric</i> | <i>retrospective egocentric</i> |

Source: cited from Krieckhaus, Son, Bellinger, and Wells (2014), p.140 .

As a result, four hypotheses arise from the distinctions mentioned above. Hypothesis 1 is that all citizens support more as they are prospective and sociotropic evaluations; hypothesis 2 is that poor citizens support more but rich citizens support less as citizens are prospective and egocentric evaluations; hypothesis 3 is that all citizens support less as they are retrospective and sociotropic evaluations; and hypothesis 4 is that poor citizens support less but rich citizens support more as they are retrospective and egocentric evaluations. Then they

employed a multilevel model of democratic support, drawing from the third, fourth, and fifth waves of the World Values Survey (Krieckhaus, Son, Bellinger, and Wells 2014, 140).

According to their analysis, hypothesis 3 is confirmed, which is that higher levels of inequality reduce citizens' support for democracy. It is also confirmed that a wide range of demographic and attitudinal variables affect democratic support. For example, older citizens, males, and the educated are more likely to support democracy. Moreover, individuals with greater institutional confidence, interest in politics, interpersonal trust, critical attitudes toward the prior regime, and left-leaning ideology are also more likely to support democracy (Krieckhaus, Son, Bellinger, and Wells 2014, 145). Therefore, they argue that citizens in fact view existing inequality as a referendum on democracy, which implies that the most important determinant of whether a nation supports democracy is the extent of economic inequality in that nation (Krieckhaus, Son, Bellinger, and Wells 2014, 150).

The research of Krieckhaus, Son, Bellinger, and Wells (2014) allow us to have a more clear understanding about the relation between inequality and democratic support. On the one hand, they prove that previous political economy research on democracy and inequality does not be support by empirical evidences. In fact, according to their research findings, citizens overwhelmingly use retrospective reasoning when evaluating democracy in the context of inequality, which stands in sharp contrast to the political economy research. On the other hand, they find out that different group of citizens may have distinct view on democracy even though they are in the same political and social context. However, they, like other scholars, argue that economic inequality should play a central role in theories of democratic support.

Nevertheless, over the last three decades, many developed and developing countries have experienced substantial economic growth in conjunction with higher levels of inequality. Yet despite this trend toward greater inequality, the overwhelming majority of these democracies continue to survive (Reenock, Bernhard, and Sobek 2007, 678). This situation should be at

least partly imputed to the problems with the quality and range of inequality data (Przeworski *et al* 2000; King, Honaker, Joseph, and Scheve 2001; Boix 2003). Reenock, Bernhard, and Sobek (2007, 679) are therefore skeptical of what conclusion can be drawn about the relationship between inequality and democratic support.

The more serious problem is the way that researchers conceptualize and measure distribution because the choice will highlight different dimensions of the distribution system (Sen 1992, 12). Reenock, Bernhard, and Sobek (2007) challenges the existing theories about democracy support and argue that the difference between relative and absolute concepts of socioeconomic distribution shall be clarified (2007, 679-80). According to their argument, relative notions of socioeconomic distribution gauge the resources shares controlled by different groups within society but absolute notions of socioeconomic distribution consider whether all segments of society possess sufficient resources to enjoy a “decent life” without reference to relative resource endowment. Therefore, the latter (termed as *basic needs satisfaction* by Reenock, Bernhard, and Sobek) can better capture the conditions that motivate political actors to press for radical redistribution measures and other actors to resist. (Reenock, Bernhard, and Sobek 2007, 680).

In order to avoid data quality problem, they employ the event history analysis approach and the dataset includes all democracies from 1919 to 1995 and is coded for event history analysis. Then, research cases are divided into three groups by GDP/capita (lower than \$2000 as lower level of development; between \$2000 and \$5999 as middle level of development; higher than \$6000 as higher level of development). Moreover, the basic needs satisfaction is defined as daily caloric supply. From their work, it is found that low and moderately developed democracies, if less effectively providing for their citizens’ basic needs, have higher conditional probabilities for breakdown. Consequently, it is concluded that inequality is not destabilizing to developed democracies because they are meeting the basic needs of

their citizens (Reenock, Bernhard, and Sobek 2007, 690, 693).

Nevertheless, what the situation Reenock, Bernhard, and Sobek (2007) deal with is an extreme one, which tries to connect inequality and democratic breakdown/survival directly. As most of countries now can satisfy citizens' basic needs, the scope their theory may be applied is limited. At least, for the East Asian regimes, the satisfaction of the citizen's basic needs is not even an issue. Although their conclusion indicates that if extreme inequality exists in a given society and citizens are unable to improve their situation, in other words, without hope, a democratic breakdown may happen. However, if interpreting their theory in a broad sense, it also implies that if there is still hope, for example, a lower-class citizen may be able to change his social position by his own effort or someone's help, the objective existence of inequality may not destabilize democracy (Reenock, Bernhard, and Sobek 2007, 693).

By reviewing the democratic support literature, we find that the application scope of the theoretical framework developed by Kriekhaus, Son, Bellinger, and Wells (2014) is broader, without extreme conditions on it. Therefore, this research would like to employ this theoretical framework to analyze the survey conducted in Taiwan to demonstrate which individual-level traits may influence Taiwanese's support for democracy, as Taiwan is now suffering from economic decay and social inequality problems.

Research Design and Measurement

The aim of this work is going to test the theory developed by Kriekhaus, Son, Bellinger, and Wells (2014) to see whether Taiwan's case may be explained or not, especially under the condition if social mobility is available. It is a survey research. The dataset employed by this work is drawn from the 2014 Taiwan Social Equality and Justice Survey, which conducted by the Taiwan Foundation for Democracy. The sample size of the 2014 Taiwan Social Equality and Justice Survey is 1,345. Therefore, there are 1,345 individual Taiwanese citizens

successfully interviewed. Furthermore, as the measurement of the dependent variables is dichotomous, a logistic regression model is employed by this work.

Dependent Variables

It is widely recognized that democratic support exists on multiple levels and in multiple dimensions, making it difficult to privilege any one element (Shin 1994; Diamond 1999; Rose and Shin 2001). I therefore use two questions which tapped respondent's retrospective and prospective evaluations on Taiwan's democracy to measure democratic support in Taiwan. The two questions ask respondents whether they satisfy the current practice of democracy (retrospective one), and whether they are optimistic on the future development of Taiwan's democracy (prospective one). To construct a dichotomous measure, I recorded the responses of the former question into two categories, which are satisfaction and dissatisfaction, and the responses of the latter question as optimistic and pessimistic, in the same way.

Independent Variables

As the aim of this work is concerning how Taiwanese citizens will evaluate the performance of the current democratic regime and their expectation in the future under the condition whether they think social mobility is available. Therefore, the survey asked respondents whether they agreed Taiwan is an equal and justice society and whether they agreed that individual's social status is determined by one's own merit and achievement is fair. However, there is no perfect way to assess an individual's relative social status as this work wants to assess how inequality influences the values" variable, which captures the subjective, self-reported perception of each respondent's class. Originally, the social status is divided into five categories, ranging from 1 (upper class) to 5 (lower class). However, as discussed above, once a given society is meeting the basic needs of its citizens, inequality is not destabilizing to a

developed democracy. Hence, this work records the variable into two classes, upper & middle class and middle-low & lower class.

Controlled Variables

This work follows the norm in the survey research literature and includes a wide range of personal characteristics such as “age”, “gender”, “education”, “profession”, and “party affiliation”. The reason for controlling the former four variables is simply following the norm in the survey research literature. However, “party affiliation” seems to be not, at least for democracy literature.

As mentioned above, a sense of authoritarian nostalgia may influence individual’s attitude towards democracy. Unfortunately, in the 2014 Taiwan Social Equality and Justice Survey, there is no variable for measuring authoritarian nostalgia. However, there is one variable may be a substitute, which party affiliation. In the authoritarian rule period, the KMT was the ruling party and the sole legal political party. However, the KMT does not step down from the stage of history after democratization. On the contrary, the KMT is still in power through fair and competitive elections. KMT supporters, at least most of them may still appreciate the performance of the prior regime. Nevertheless, the supporters of the opposition party, Democratic Progress Party (DPP), basically have a negative evaluation toward the prior regime. As citizens with authoritarian nostalgia less support democracy, we may assume that a DPP supporter will be more supportive to democracy rather than a KMT one.

Results

About two decades ago, Taiwan was successfully and peacefully transformed from an authoritarian regime into a democracy. Now democracy seems to have been internalized as a belief on the island. According to the result of the 2014 Taiwan Equality and Justice Survey,

it is found that 86.4% of the respondents believe that democracy may be imperfect but still the best political system. Only 13.6% of the respondents disagrees it (see Table 1 below). However, although most of Taiwanese believe in democracy, they are disappointed with the current democracy regime. Table 2 shows that only around one-third of the respondents satisfy the performance of the current democracy regime. The other thing makes us even more anxious about Taiwan’s democracy is that only 55.8% of Taiwanese citizens are optimistic about the future development of Taiwan’s democracy (see Table 3 below). It implies that Taiwanese is losing faith on democracy even though the majority still believes in it right now.

Table 1:

| democracy is the best system | | |
|------------------------------|-----------|------------|
| | Frequency | Percentage |
| agree | 1,056 | 86.4 |
| disagree | 166 | 13.6 |
| Total | 1,222 | 100.0 |

Table 2:

| satisfaction with the current democracy regime | | |
|--|-----------|------------|
| | Frequency | Percentage |
| satisfaction | 410 | 33.4 |
| dissatisfaction | 816 | 66.6 |
| Total | 1,226 | 100.0 |

Table 3:

| future of Taiwan's democracy |
|------------------------------|
|------------------------------|

| | Frequency | Percentage |
|-------------|-----------|------------|
| pessimistic | 519 | 44.2 |
| optimistic | 656 | 55.8 |
| Total | 1,175 | 100.0 |

Table 4:

| Taiwan is an equal and justice society | | |
|--|-----------|------------|
| | Frequency | Percentage |
| agree | 350 | 27.3 |
| disagree | 933 | 72.7 |
| Total | 1,283 | 100.0 |

Why it happens? How is it possible that almost half of the population is pessimistic about the future of Taiwan’s democracy but in the meantime around 90% of Taiwanese citizens believe in that democracy is the best political system? The information of Table 4 may provide us a hint. Table 4 above shows that 72.7% of the respondents disagree that Taiwan is an equal and justice society. Although we know no society is perfect and inequality is unavoidable in development process, it is still shocking while more than 70% of the people regard their society as an unequal one. If we review some historical events, a possible answer may come out. Taiwan used to be doing well in terms of economic development and income distribution. The government was proud of Taiwan’s balance of economic development and social justice. While economic growth was strong and most of people can share, at least a large part, the fruits of economic development, it would be reasonable that Taiwanese people did not complain.

However, after the 1997 global financial crisis, Taiwan’s economic growth was stagnant.

In order to promote economic growth, the government therefore implemented many fiscal policies. The core idea of these fiscal policies is tax-cut, reducing capitalists' tax burden. The government expected these policies to stimulate capitalists doing more investment and therefore creating more job opportunities. Nevertheless, it seemed to be not working. Before 1997, the unemployment rate of Taiwan was usually less than 2%. After the global financial crisis, the unemployment rate increased rapidly, from 2.72% in 1997 to 5.85% in 2009. It was doubled within 12 years. In the meantime, the poverty gap was widening. According to an official online report, the annual income of the richest 1% of the population in Taiwan was 13.8 times higher than the average annual income of the other 99% of the population in 2009.

Under this situation, it is very interesting that here are still around 70% of the respondents thinking that it is fair if a given individual's social status is determined by his own merit and achievement (see Table 5 below). The problem is that many Taiwanese (63.8%, see Table 6 below) think that the people become poor are because of governmental policies but not of their own insufficient efforts. As a result, while economic development is stagnant, unemployment rate increases, poverty gap widens, and rich people make fortunes through injustice ways, it is not surprising that more than 40% of the respondents (42.8%, see Table 7 below) reports they are in middle-low or lower class.

Table 5:

| It is fair that individual's social status is determined by one's own merit and achievement. | | |
|--|-----------|------------|
| | Frequency | Percentage |
| agree | 860 | 68.3 |
| disagree | 400 | 31.7 |
| Total | 1,283 | 100.0 |

Table 6:

| Becoming poor because of governmental policies | | |
|--|-----------|------------|
| | Frequency | Percentage |
| agree | 815 | 63.8 |
| disagree | 462 | 36.2 |
| Total | 1,277 | 100.0 |

Table 7:

| Social Status | | |
|--------------------------|-----------|------------|
| | Frequency | Percentage |
| middle & upper class | 738 | 57.2 |
| middle-low & lower class | 552 | 42.8 |
| Total | 1,290 | 100.0 |

Further, through cross-tabulation analysis, we may figure out the relationship between these factors and their retrospective and prospective evaluations on Taiwan's democracy. According to Table 8-1 to Table 8-5, the respondents who agree democracy is the best political system, or think Taiwan's society is equal and justice one, or disagree the government shall be responsible for the poor, or regard themselves as middle or higher class are more satisfy the performance of the current democracy regime., the respondents with similar attitudes are also optimistic to the future of Taiwan's democracy. However, "becoming poor because of governmental policies" is irrelevant to the evaluation of the future of Taiwan's democracy (see Table 9-5 to 9-5 below).

Table 8-1:

| democracy is the best system | | satisfaction with the current democracy regime | | |
|------------------------------|-------------------|--|-----------------|--------|
| | | satisfaction | dissatisfaction | Total |
| agree | Count | 374 | 613 | 987 |
| | row % | 37.9% | 62.1% | 100.0% |
| | Adjusted Residual | 6.5 | -6.5 | |
| disagree | Count | 17 | 136 | 153 |
| | row % | 11.1% | 88.9% | 100.0% |
| | Adjusted Residual | -6.5 | 6.5 | |

Table 8-2:

| Taiwan is an equal and justice society | | satisfaction with the current democracy regime | | |
|--|-------------------|--|-----------------|--------|
| | | satisfaction | dissatisfaction | Total |
| agree | Count | 183 | 129 | 312 |
| | row % | 58.7% | 41.3% | 100.0% |
| | Adjusted Residual | 11.1 | -11.1 | |
| disagree | Count | 209 | 658 | 867 |
| | row % | 24.1% | 75.9% | 100.0% |
| | Adjusted Residual | -11.1 | 11.1 | |

Table 8-3:

| It is fair that individual's social status is determined by one's own merit and | satisfaction with the current democracy regime | | |
|---|--|-----------------|-------|
| | satisfaction | dissatisfaction | Total |

| achievement. | | satisfaction | dissatisfaction | Total |
|--------------|-------------------|--------------|-----------------|--------|
| agree | Count | 300 | 497 | 797 |
| | row % | 37.6% | 62.4% | 100.0% |
| | Adjusted Residual | 4.3 | -4.3 | |
| disagree | Count | 92 | 277 | 369 |
| | row % | 24.9% | 75.1% | 100.0% |
| | Adjusted Residual | -4.3 | 4.3 | |

Table 8-4:

| Becoming poor because of governmental policies | | satisfaction with the current democracy regime | | |
|--|-------------------|--|-----------------|--------|
| | | satisfaction | dissatisfaction | Total |
| agree | Count | 234 | 519 | 753 |
| | row % | 31.1% | 68.9% | 100.0% |
| | Adjusted Residual | -2.1 | 2.1 | |
| disagree | Count | 161 | 272 | 433 |
| | row % | 37.2% | 62.8% | 100.0% |
| | Adjusted Residual | 2.1 | -2.1 | |

Table 8-5:

| social status | | satisfaction with the current democracy regime | | |
|----------------------|-------|--|-----------------|--------|
| | | satisfaction | dissatisfaction | Total |
| middle & upper class | Count | 252 | 436 | 688 |
| | row % | 36.6% | 63.4% | 100.0% |

| | | | | |
|-----------------------------|-------------------|-------|-------|--------|
| | Adjusted Residual | 2.6 | -2.6 | |
| middle-low & lower class | Count | 147 | 352 | 499 |
| | row % | 29.5% | 70.5% | 100.0% |
| | Adjusted Residual | -2.6 | 2.6 | |

Table 9-1:

| democracy is the best system | | future of Taiwan's democracy | | |
|------------------------------|-------------------|------------------------------|------------|--------|
| | | pessimistic | optimistic | Total |
| agree | Count | 352 | 596 | 948 |
| | row % | 37.1% | 62.9% | 100.0% |
| | Adjusted Residual | -9.7 | 9.7 | |
| disagree | Count | 119 | 31 | 150 |
| | row % | 79.3% | 20.7% | 100.0% |
| | Adjusted Residual | 9.7 | -9.7 | |

Table 9-2:

| Taiwan is an equal and justice society | | future of Taiwan's democracy | | |
|--|-------------------|------------------------------|------------|--------|
| | | pessimistic | optimistic | Total |
| agree | Count | 89 | 224 | 313 |
| | row % | 28.4% | 71.6% | 100.0% |
| | Adjusted Residual | -6.8 | 6.8 | |
| disagree | Count | 418 | 403 | 821 |
| | row % | 50.9% | 49.1% | 100.0% |
| | Adjusted Residual | 6.8 | -6.8 | |

Table 9-3:

| It is fair that individual's social status is determined by one's own merit and achievement. | | future of Taiwan's democracy | | |
|--|-------------------|------------------------------|------------|--------|
| | | pessimistic | optimistic | Total |
| agree | Count | 309 | 456 | 765 |
| | row % | 40.4% | 59.6% | 100.0% |
| | Adjusted Residual | -3.5 | 3.5 | |
| disagree | Count | 179 | 167 | 346 |
| | row % | 51.7% | 48.3% | 100.0% |
| | Adjusted Residual | 3.5 | -3.5 | |

Table 9-4:

| Becoming poor because of governmental policies | | future of Taiwan's democracy | | |
|--|-------------------|------------------------------|------------|--------|
| | | pessimistic | optimistic | Total |
| agree | Count | 311 | 405 | 716 |
| | row % | 43.4% | 56.6% | 100.0% |
| | Adjusted Residual | -0.7 | 0.7 | |
| disagree | Count | 188 | 225 | 433 |
| | row % | 45.5% | 54.5% | 100.0% |
| | Adjusted Residual | 0.7 | -0.7 | |

Table 9-5:

| social status | future of Taiwan's democracy | | |
|---------------|------------------------------|------------|-------|
| | pessimistic | optimistic | Total |

| | | | | |
|--------------------------|-------------------|-------|-------|--------|
| middle & upper class | Count | 267 | 404 | 671 |
| | row % | 39.8% | 60.2% | 100.0% |
| | Adjusted Residual | -3.6 | 3.6 | |
| middle-low & lower class | Count | 235 | 229 | 464 |
| | row % | 50.6% | 49.4% | 100.0% |
| | Adjusted Residual | 3.6 | -3.6 | |

The earlier developed democracy support theories, especially survey researches emphasizing political culture argue that wealth brings about social-psychological change, transforming wealthy citizens such that they favor and adopt democratic norms and practices. In other words, when people have relatively ample economic and political resources, and move from emphasizing survival values towards emphasizing self-expression values, they strive more strongly for democratic institutions (Welzel and Inglehart 2008, 138). Therefore, although income varies substantially within a given country, the existing theories argue that support for democracy will vary across the socioeconomic spectrum. It assumes that most citizens take into account their personal class position when evaluating democracy. As they are benefited, they tend to support democracy.

This perspective has been long used to explain why Taiwanese people supported democracy in the past. But it is obviously not able to apply on the nowadays. According to the preliminary analysis above, it seems to suggest that Taiwanese citizens' perspective towards democratic support is retrospective and egocentric. The rich, unlike the poor, support democracy when inequality is high, given that from their perspective democracy has “performed” well by preserving their privileged economic status (Kriekhaus, Son, Bellinger, and Wells 2014, 143). Therefore, when inequality makes the rich even richer and the poor even poorer, the rich citizens are more supportive of democracy and poor citizens are less supportive of democracy in a given country.

The preliminary cross-tabulation analysis only indicate that the mentioned factors may be correlated the dependent variables individually. In order to know more about the relationship among them, two logistic regression models are employed here since the independents are dichotomous.

Table 10 is the results of the logistic regression model one: satisfaction with the current democracy regime as dependent variable. The results suggest that most of the independent variables have no significant effect on the satisfaction of the current democracy regime's performance. Only "democracy is the best system", "age", and "Taiwan is an equal and justice society" have significant ($p < .05$) negative effects on the satisfaction of the current democracy regime's performance. The older generation (elder than 60) is more satisfy with the current regime's performance, compared with the younger generations (under 40 and between 40 to 59). However, here are some interesting results. The respondents who agree that democracy is the best system and agree that Taiwan is an equal and justice society are having less satisfaction with the current regime's performance. It may be explained that they may have higher expectation on the regime but the regime's performance disappoints them.

Table 10: logistic regression model 1 (satisfaction with the current democracy regime as dependent variable)

| | Estimation of β | S.E, | df | Significance | Exp(β) |
|-------------------------------------|-----------------------|------|----|--------------|----------------|
| <i>Democracy is the best system</i> | | | | | |
| Agree | -1.381 | .339 | 1 | .000 | .251 |
| <i>Age</i> | | | 2 | .034 | |
| Under 40 | -.633 | .248 | 1 | .011 | .531 |
| 40-59 | -.511 | .233 | 1 | .028 | .600 |
| <i>Education</i> | | | 2 | .283 | |
| College or higher | -.364 | .272 | 1 | .180 | .695 |

| | | | | | |
|--|--------|------|---|------|--------|
| High school | -.132 | .278 | 1 | .634 | .876 |
| <i>Party affiliation</i> | | | 2 | .374 | |
| Pan-Blue | -.063 | .198 | 1 | .751 | .939 |
| Pan-Green | -.264 | .189 | 1 | .163 | .768 |
| <i>Occupation</i> | | | 4 | .528 | |
| Middle & upper white collar | .321 | .244 | 1 | .188 | 1.379 |
| Lower white collar | .238 | .231 | 1 | .304 | 1.269 |
| Agriculture | .247 | .479 | 1 | .606 | 1.280 |
| Blue collar | -.069 | .287 | 1 | .809 | .933 |
| <i>Taiwan is an equal and justice society</i> | | | | | |
| Agree | -1.141 | .171 | 1 | .000 | .319 |
| <i>It is fair that individual's social status is determined by one's own merit and achievement</i> | | | | | |
| Agree | -.325 | .184 | 1 | .078 | .723 |
| <i>Becoming poor because of governmental policies</i> | | | | | |
| Agree | .059 | .170 | 1 | .731 | 1.060 |
| <i>Social status</i> | | | | | |
| Middle & upper class | .283 | .171 | 1 | .099 | 1.327 |
| <i>Gender</i> | | | | | |
| Male | .182 | .168 | 1 | .277 | 1.200 |
| <i>Constant</i> | 2.821 | .501 | 1 | .000 | 16.786 |

Note: Nagelkerke R-Square: .183

Nevertheless, what we more concern is whether the poor performance of the current regime influences Taiwanese citizens' faith on the future of Taiwan's democracy. Table 11 below is the results of the logistic regression model two: the future of Taiwan's democracy as dependent variable. It suggests that "democracy is the best system", "party affiliation", and "Taiwan is an equal and justice society" have significant effects on the evaluation of the

future of Taiwan’s democracy. “Social status” is also having significant effect on it but a negative one. However, since the evaluation of the future of Taiwan’s democracy is divided into pessimistic and optimistic. The positive effect actually means pessimistic and vice versa. Therefore, we get the similar results like the model one. It becomes clearer when we see the effect of social status. The middle and upper class respondents, compared with the middle-low and lower class are less pessimistic evaluation of the future of Taiwan’s democracy (the value of the expected β is .703). It means, ceteris paribus, that the middle and upper class is more optimistic to the future of Taiwan’s democracy but the middle-low and lower class is more pessimistic.

Table 11: logistic regression model 2 (the future of Taiwan’s democracy as dependent variable)

| | Estimation of β | S.E, | df | Significance | Exp(β) |
|-------------------------------------|-----------------------|------|----|--------------|----------------|
| <i>Democracy is the best system</i> | | | | | |
| Agree | 1.634 | .268 | 1 | .000 | 5.123 |
| <i>Age</i> | | | 2 | .670 | |
| Under 40 | -.215 | .241 | 1 | .372 | .806 |
| 40-59 | -.131 | .222 | 1 | .553 | .877 |
| <i>Education</i> | | | 2 | .103 | |
| College or higher | .395 | .271 | 1 | .144 | 1.485 |
| High school | .033 | .275 | 1 | .903 | 1.034 |
| <i>Party affiliation</i> | | | 2 | .000 | |
| Pan-Blue | -.311 | .193 | 1 | .107 | .733 |
| Pan-Green | .794 | .199 | 1 | .000 | 2.212 |
| <i>Occupation</i> | | | 4 | .204 | |
| Middle & upper white collar | -.015 | .253 | 1 | .953 | .985 |
| Lower white collar | -.426 | .238 | 1 | .073 | .653 |

| | | | | | |
|--|--------|------|---|------|-------|
| Agriculture | -.420 | .470 | 1 | .372 | .657 |
| Blue collar | -.153 | .294 | 1 | .602 | .858 |
| <i>Taiwan is an equal and justice society</i> | | | | | |
| Agree | .654 | .183 | 1 | .000 | 1.923 |
| <i>It is fair that individual's social status is determined by one's own merit and achievement</i> | | | | | |
| Agree | .312 | .178 | 1 | .079 | 1.367 |
| <i>Becoming poor because of governmental policies</i> | | | | | |
| Agree | .035 | .172 | 1 | .839 | 1.035 |
| <i>Social status</i> | | | | | |
| Middle & upper class | -.352 | .169 | 1 | .038 | .703 |
| <i>Gender</i> | | | | | |
| Male | -.018 | .168 | 1 | .913 | .982 |
| <i>Constant</i> | -1.462 | .444 | 1 | .001 | .232 |

Note: Nagelkerke R-Square: .203

Conclusion

Whether economic decay and social inequality undermine democracy in Taiwan? This work may not be able to provide a confirm answer while the findings are only based on a cross-section survey data, which simply reflects the attitudes of the respondents or the represented population at that time. However, the research results may still be able to remind us that inequality in Taiwan at least has disappointed most Taiwanese citizens and is eroding their faith on the future of Taiwan's democracy. More importantly, according to the research findings, it is found that relatively poor citizens feel more pessimistic about the democracy in a context of high inequality.

Laswell (1958) argued that the heart of democratic politics should be the struggle over "who gets what, when and how". About this regard, although the 19th century political

theorists such as Rousseau, Tocqueville, Mill, and Marx all assumed that the central goal of the masses in a democratic system shall be the reduction of inequality (Przeworski and Limongi 1993), the research findings from this work are less supportive of their assumptions. Conversely, at least for Taiwan's case, the recent development of democracy has made inequality higher. Democracy shall be a mechanism for redistributing resources within a society. However, unlike what political economic theories suggested that redistributing from elites (the rich) to citizens (the poor), the situation in Taiwan is that resources within the society are now redistributing from the poor to the rich because of unfair governmental policies favored the rich citizens. Just like other scholars argued, wealthier citizens possess the economic and cognitive resources to pursue the "luxury good" of democratic governance and hence support democracy more than the poor (Bratton, Matters, and Gyimh-Boadi 2005; Welzel and Inglehart 2008).

Therefore, since most of Taiwanese citizens still believe that democracy is the best political system, the current negative public opinions about democracy are not towards the system, but to the policies. As a result, the best way to avoid further threat to Taiwan's democracy is to lower inequality successfully and then we may enjoy a more robust democratic consolidation.

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