

# Black Gold Politics

## Hēijīn zhèngzhì 黑金政治

**The term “black gold politics,” which refers to the practices of an alliance of corrupt officials/elites, criminal elements, and businesspeople, has become ubiquitous in discussions of the Taiwanese government, calling into question the integrity of the powerful and exposing the dark side of Taiwan’s democratic development.**

**B**lack gold politics, or *hei jin*, refers to the mixture of money, politics, and corruption in Taiwan (the Republic of China). *Gold* suggests the power to influence politics and the economy, whereas *black* suggests various illicit or corrupt activities that take place: bribery, kickbacks, money laundering, electoral violence, political assassinations, bets on which candidates will win or lose electoral contests, and secretive monetary exchanges among corrupt government officials, elected politicians, gangsters, and businesspeople.

The origin of Taiwan’s black gold politics can be traced back to the 1930s and 1940s Guomindang, also known as the Nationalist Party, when its leader, Chiang Kai-shek (1887–1975) cultivated close connections with Du Yuesheng (1888–1951), the leader of the “Green Gang,” a criminal network / secret society based mainly in Shanghai. After the Guomindang withdrew from the mainland to the island of Taiwan in 1949 (where it would then be called the Kuomintang, KMT), black gold politics followed in the form of politicians who tried to maintain electoral victory by mobilizing local gangsters to campaign for them

in elections and by mobilizing citizens to vote for them. After the Kuomintang members were elected to the Legislative Assembly, they paid for criminal political support by granting construction and government projects. A web of patron-client networks became firmly entrenched. In the face of mounting pressure from the *dangwai* (the political opposition) in the 1970s and the early 1980s, the Kuomintang relied heavily on the *heidao* (triads or organized crime groups) to retain its political influence in the political arena.

After Chen Shui-bian (b. 1950) of the Democratic Progressive Party (DPP) won the presidency in 2000, it was rumored that a businessperson with *heidao* connections, Chen Yu-hao, made a huge donation to pay down the president’s campaign expenses. Chen Yu-hao then financially supported the ticket of Kuomintang leader Lien Chan and People First Party’s James Soong during the 2004 presidential election. Chen Shui-bian’s re-election in 2004 ushered in an era of political corruption by his family. His wife, Wu Shu-je, was found to have misused state funds by falsifying receipts and laundering money through various overseas accounts in Switzerland, Singapore, and Mauritius. Taiwan’s democratic image was dealt a severe blow because of the Chen family’s political corruption, which some commentators referred to as another example of black gold politics at the top level, where the president and his wife were not subject to internal checks and balances from the party in power. Nor were they subject to sufficient scrutiny from anticorruption and anti-money-laundering institutions. Another element in the Chen family’s corruption was the deliberate withholding of information on the family’s suspected laundering

activities from the public by the Ministry of Justice's Investigation Bureau director Yeh Sheng-mao. Although Yeh was indicted by Taiwan's prosecution office, the black gold politics that plagued the former first family revealed that a minority of top-level officials colluded in self-enrichment by plundering state coffers. Chen Shui-bian's connections with some important businesspeople in Taiwan were also called into question. The entire political-corruption scandal demonstrates the pervasiveness of black gold politics from the grassroots to top-level political echelons.

Chen was voted out of office in March 2008; on 20 May of that year, Taipei mayor and KMT chairman Ma Ying-jeou defeated his rival, Frank Hsieh of the DPP, to become the new president of Taiwan on a platform of clean government. Ma himself has not escaped the cloud of black gold politics, having been charged with money skimming in 2007 (a charge he vehemently denied, and was acquitted of later that year). In 2006, Ma told *Time*: "We have set up a 'clean government' commission to monitor our officials. When I was justice minister more than 12 years ago, I cracked down on corruption and vote-buying. I have a reputation for being clean and impartial, [and] we know that how clean we are determines our future" (Abdoolcarim and Tso 2006).

Although he was protected from charges while he was in office, former president Chen was arrested and indicted in December of 2008 for money laundering, embezzlement, and other crimes, the only former president of Taiwan ever to be jailed for corruption charges.

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## Further Reading

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A minimal error at the start leads to a  
wide divergence in the distance.

差之毫厘，謬以千里

Chà zhī háo lí, miù yǐ qiān lǐ