

Chapter 23

History and Context of Public Administration in Taiwan

Chung-yuang Jan

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23.1 Introduction

In Taiwan, public administration has been developing for over half a century. This chapter discusses stages of the institutional structure of public administration, values of public administration, the history of administrative reforms, and emerging issues of public administration. Taiwan is a relatively small and mountainous island of about 13,972 square miles; about 25% of the land is arable. Although there were only 6.6 million people in Taiwan at the end of World War II, today’s population is about 22 million. The major languages spoken in Taiwan are Mandarin, Holo, and Hakka, while Austronesian languages are spoken by indigenous peoples.

Taiwan has a central government and three levels of local government in which about 490,921 (2007) public employees work. Its central government has five branches: the Legislative Yuan, Executive Yuan, Judicial Yuan, Examination Yuan, and Control Yuan. This chapter discusses four characteristic values of public administration: administrative efficiency, accountability, democracy, and rule orientation. It also discusses four stages of administrative reforms: the initial and formative stage (1950s and 1960s), the “ground” stage (1970s), the transformative stage (1980), and the exuviate (shedding) stage (1990s through the present). The chapter concludes with a discussion of emerging issues for Taiwan’s public administration in an era of heightened democracy and global economic competition.

23.2 Brief History of Stages and Legacy of Public Administration in Taiwan

Taiwan is an island off the southeastern coast of Mainland China. Historically, it has been peripheral and insignificant to China. As early as 1200, Chinese immigrants sailed across the Taiwan Strait to settle on the island. In 1683, Taiwan was annexed under the jurisdiction of Fujian Province in the Qing dynasty. After being defeated by Japan in the First Sino-Japanese War (1894–1895), the Qing dynasty ceded Taiwan and the Pescadores to Japan as part of the Treaty of Shimonoseki.

During the transfer of Taiwan from the Qing Dynasty to Japan, there was intense fighting between self-organized Taiwanese and the Japanese army. As the Japanese took control of the island, the colonial government intentionally strengthened centralized control of localities, which included measures that redrew territorial boundaries and set up a family surveillance system (the Bao-Jia system). On October 25, 1945, representing the Allies, the Chinese government accepted the

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formal surrender of the Japanese army in Taihoku. Following 50 years of Japanese rule, Taiwan and the Pescadores were reunified with China at the end of World War II and became the provinces of Taiwan.

Thus, the administrative system of Taiwan is relatively young. The early roots of this system lie in Mainland China. In the period before World War II, the Kuomintang (KMT) was the ruling party of Mainland China and developed its administrative philosophy, which included ideas about establishing an effective checks-and-balances system, modern budget and personnel systems, and a philosophy of administration that follows a plan–implement–evaluate strategy. Much of this was created before World War II.

In 1949, the KMT was ousted from Mainland China by the Communists; it relocated in Taiwan, where it formed a government. The period from 1950 through 1987 is characterized by a one-party (KMT) administrative system and martial law. During that period, the KMT had total control over the bureaucracy and the legislative bodies. The KMT implemented modern public administration structures and practices such as those relating to personnel management and budgeting, while also controlling important decisions and appointments.

There is general agreement that martial law furthered political and social stability and that authoritative technocrats successfully promoted economic development, eventually resulting in impressive economic achievements of global significance (e.g., Taiwan as one of “four Asian dragons”). Public officials provided economic intervention, macroeconomic management, and sectoral guidance. The government developed successive 5-year plans, had numerous state-run corporations, provided programs and funding in support of economic objectives furthered in the private sector, and sometimes helped created private companies.

Although early administration concerns focused on security, stability, efficiency, and economic development, from the 1970s onward additional concerns included the accountability and competency of the public service. Martial law provided little freedom to challenge authority, little ability to form new associations, no meaningful political elections, and regrettable instances of human rights violations. Obviously, despite economic and security progress, these matters became increasing concerns for people in Taiwan.

The period since 1987 has been characterized by growing economic, political, and social liberalization and democratization. Taiwan has become a full-fledged democracy, and its bureaucracy has been transformed to meet the needs and expectations of its citizens in this context. Freedom of expression is now well established in this society, and technology is increasingly used to provide services and access to information. Government now has far-reaching programs to provide accountability and transparency, including numerous mechanisms for citizens to file complaints and grievances, as they increasingly do.

Although many bureaucrats still operate with great authority, the reality of these laws, their use, and their impact on decision making are hard to deny. Openness

and accountability have also altered a bit the way in which government bureaucrats influence the private sector, relying a bit more on tax policies, though still formulating 5-year plans. In this new period, concern with public service ethics is also ongoing, and new efforts are made to improve the administration by lower level governments.

23.3 Institutional Description

The hierarchy of Taiwan government has four levels: central, provincial/municipal, county/city, and rural/urban townships. Each has its own clearly defined responsibilities and authorities. The central government is composed of the Office of the President and five government branches, or *yuan*: the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan, and Control Yuan. The Executive Yuan is the most influential of the five, holding many key controls and employing a majority of the government's top civil servants (Lin 2003). The Examination Yuan functions much like a civil service commission, and the Control Yuan has independent audit and corruption investigation responsibilities. A comprehensive source of general information about the administrative systems of Taiwan is the Government Information Office (2008).

The president is the head of Taiwan and may hold office for no more than two consecutive 4-year terms. The president represents Taiwan in its foreign relations and at functions. All acts are conducted in his name, including command of the armed forces, promulgation of laws and decrees, declaration of martial law, appointment and removal of civil servants and military officers, conferring of honors and decorations, granting of amnesties and pardons, and conclusion of treaties and declaration of war and cease-fires. By the resolution of the Executive Yuan, the president may issue emergency orders and, following the Legislative Yuan's passage of a no-confidence vote against the president of the Executive Yuan, declare the dissolution of that yuan after consulting with its president.

The five branches of the central government are described as follows:

- *Executive Yuan.* The highest administrative organ, the Executive Yuan has a premier, a vice premier, a number of ministers and chairpersons of commissions or councils, and several ministers without portfolio. The premier is appointed by the president; the vice premier, ministers, and chairpersons are appointed by the president on the recommendation of the premier. Under the Executive Yuan, there are currently eight ministries: Interior, Foreign Affairs, Defense, Finance, Education, Justice, Economic Affairs, and Transportation and Communications. There are also two commissions and five to seven ministers without portfolio.
- *Legislative Yuan.* The Legislative Yuan is the highest legislative organ; it has 225 members, and each term is for 3 years. Reelected representatives may serve consecutive terms. The Legislative Yuan has a president and a vice president

elected by and from its members. The functions of the Legislative Yuan are to decide by resolution statutory or budgetary bills or bills concerning martial law, amnesty, declaration of war, and conclusion of peace or treaties; to propose amendments to the constitution, change territorial boundaries, and impeach the president or vice president; and to exercise the power of consent to confirm the appointment of personnel nominated by the president.

- *Judicial Yuan.* The Judicial Yuan is highest judicial organ. It is responsible for the adjudication of civil, criminal, and administrative litigation, as well as the discipline of civil servants. The Judicial Yuan has a president, a vice president, and 15 grand justices, who are nominated and, with the consent of the National Assembly, appointed by the president. The term of each grand justice is calculated individually, and all members do not serve for a consecutive term. Through group consultations, the grand justices interpret the constitution and unify the interpretation of laws and ordinances. They also form a constitutional tribunal to adjudicate matters relating to the dissolution of political parties violating constitutional provisions.
- *Examination Yuan.* The Examination Yuan is responsible for the examination, employment, and management of all civil servants. Specifically, it oversees all examination-related matters, all matters relating to qualification screening, and all legal matters pertaining to the employment of, discharge of, performance evaluations of, scale of salaries for, promotions of, transfers of, commendations for, and rewards for civil servants. The Examination Yuan has a president, a vice president, and 19 members, all of whom, with the consent of the Legislative Yuan, are appointed by the president for a 6-year term.
- *Control Yuan.* The Control Yuan is the highest watchdog body, exercising powers of impeachment, censure, and audit. It has 29 members, including a president and a vice president, all of whom serve a term of 6 years and are appointed by the president with the consent of the Legislative Yuan. The Control Yuan has a Ministry of Audit, headed by an auditor-general who is nominated and appointed, with the consent of the Legislative Yuan, by the president for a 6-year term. The ministry audits the final accounts of revenues and expenditures of all government agencies.

The current structure of the Taiwanese government is shown in [Figure 23.1](#), but the amendments to the Executive Yuan Organization Act were presented to the Legislative Yuan for deliberation in 2009.¹

In addition, Taiwan has three levels of local government: provincial/municipal, county/city, and rural/urban townships. County governments are headed by magistrates, and city governments are headed by mayors. Individuals serving in these two positions are directly elected for a 4-year term and may be reelected to serve a second term. Counties are subdivided into county municipalities and townships. These are led by mayors and magistrates, who are also popularly elected for up to two 4-year terms.

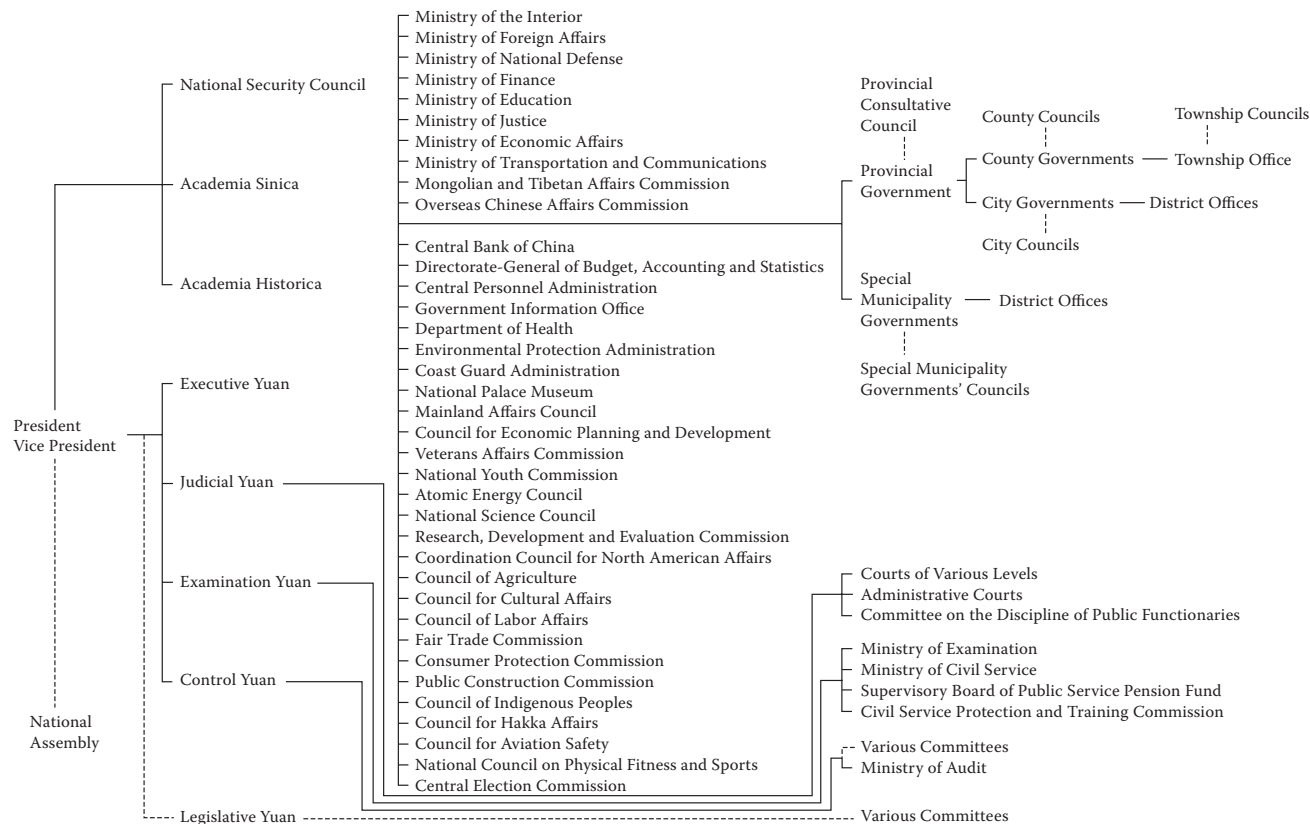


Figure 23.1 Organization of Taiwan government. (Source: Taiwan government, public documents.)

Table 23.1 Public Servants in Taiwan

Year	Total	Central government		Local government	
		Civil Servants	Other Employees	Civil Servants	Other Employees
2007	490,921	185,960	99,834	150,882	54,245

Source: Examination Yuan. 2008. Statistical abstracts, Table 10: Number of all public servants, 1997–2007: http://www.exam.gov.tw/bofteng/ssub_list.asp?Vcode=104&Vcode1=100&Rnd=0.4613919 (see Table 10); also see www.exam.gov.tw/EUPLoad1/EBOOK/1021/eB10.pdf

At the end of 2007, there were 490,921 public employees in Taiwan, of whom 285,794 served in central government and 205,127 in local government (Table 23.1). Of these public employees, about 68.6% were recruited through civil service exams and have civil service status (called “public servants” in Taiwan), 27.9% work in public enterprise organizations, and 14.5% work in public sector health or educational settings (excluding teachers). The data also exclude military personnel.

23.4 Administrative Values

Obviously, administrative values are not always uniform in time or place and are not always spelled out in formal documents. Yet, some values are strong and continue to be present in discussions and debates and serve as important guideposts, though sometimes they are unstated or shared assumptions about policies under discussion. To some extent, the following sections reflect the relative youth of the administrative system as well as the burgeoning state of democracy in Taiwan.

23.4.1 Administrative Efficiency

Administrative efficiency is an important value that has centered on the speed and execution of administrative orders, including the development of administrative capacity and reporting procedures to ensure the appropriate implementation of policies and programs. Concern with administrative capacity was paramount in the early stages of the development of administrative structures in Taiwan and included concerns for the effective coordination of actions of other actors in society. In modern parlance, administrative efficiency concerns effectiveness rather than economic efficiency in the Western notion of the efficient use of resources. The focus here is on effective execution.

Such administrative efficiency continues to be relevant today and is now implemented in the context of increased liberalization and democratization.

Government continues to need means of getting actors to act in ways that promote its economic and social objectives, even as it guards against too much planning or micromanagement of processes that are best handled by others. The effective administration of programs and policies continues to be an important concern. In recent years, the ideas of new public management (NPM) have been adopted by Taiwan's government, and e-government is one of the remarkable cases.

E-government is widely used for increasing the speed of transactions, and many services are now conducted online. Online public services currently being established include tax reporting, motor vehicle registration, disbursement, industry information, health insurance, and utilities services. The government looks forward to providing even more innovative 24-hour service in the near future. Hence, administrative efficiency is an important value, defined especially as speed and ensuring that program and policy objectives are achieved.

23.4.2 *Increased Democracy*

Taiwan has transformed itself from an authoritarian regime to a democratic polity, and there is much evidence that people embrace their newfound freedoms. Political debate is full and rich, and citizens seek to influence and participate in government decision making. Elections are free and hotly contested. Transparency is urged, and human rights are closely protected and guarded against infringement. Democracy is widespread. Administrative systems are brought in line with expectations for democracy. Laws regarding freedom of information and access and input into administrative decision making exist and find active expression.

Laws are key to establishing and maintaining democracy, and there is evidence that people have mustered a respect for the rule of law. Laws are protected and safeguarded; vigilance and concern for not going back to the past are strong. There is growing evidence that public agencies are themselves advancing new policies and programs that strengthen democracy. Of course, it is true that bureaucratic mentalities do not easily change and, for some, these laws and values are little more than inconveniences that set new boundaries; even in well-established democracies, such attitudes are to be found. In the current era, democracy and the rule of law are well-established guiding values and are still transforming bureaucratic practices.

23.4.3 *Accountability and Duty*

Taiwan is decidedly part of the East Asian culture, which means that concepts of duty and loyalty toward one's direct supervisor, at whatever level, are of considerable importance to many people and of supreme importance to some. The notion of accountability being embedded in such personalized relationships is consistent with the Confucian heritage and traditions, which emphasize fulfillment of duties and the exercise of benevolence (and propriety) by leaders. Relations among civil

servants and with their leaders have always involved strong personal trust and loyalty to leaders, as well as to the KMT party during martial law. Many relationships are grounded in having common backgrounds or experiences over many years. These close relationships create stable expectations, allow people to count on each other in periods of need, and include a strong sense of personal accountability and mutual support.

If the purpose of accountability is to ensure trust, then, in East Asia (including Taiwan), legal (including constitutional) foundations of accountability have been historically less important in building trust than interpersonal relationships. Indeed, Western notions of professionalism, job descriptions, and employment contracts have arguably less impact on Taiwanese people's job content on a daily basis than their perceived duty toward their supervisors. Yet, Western notions of accountability and the rule of law are gaining ground, thereby also addressing, or at least highlighting, problems that can come from people-centric bases of trust, duty, and accountability.

For example, civil servants or their kin benefiting from official duties through tributes, banquets, and gifts were quite common in the past as a means of establishing and strengthening trust and demonstrating ties of loyalty. Yet, these are clearly illegal under current laws. Administrative reforms since the 1970s define these practices as corruption; more broadly, citizens increasingly urge action against all forms of (legally defined) corruption—rightly so. As noted earlier, new legal protections since the end of martial law provide citizens with far more protections against government actions; lawsuits and administrative appeals against the government abound. Although Western notions of accountability are increasingly adopted, the point is that accountability among public officials in Taiwan has always been an important value, even as its standards and practices are changing.

23.4.4 Rule Orientation

Taiwan has a highly hierarchical government structure and an enormous number of regulations and procedures. Indeed, formalization, centralization, and complexity of structure are some clear practices of public administration in Taiwan, and rules and procedures are the key means of navigating and realizing programs and policies. Moreover, following rules also ensures the legality of decisions and is consistent with the rule of law and equal treatment. Agencies have seemingly endless rules; officials must know which rules apply to any specific situation and often follow written rules to the letter. Rule orientation is quite strong.

In the working lives of many low-level officials, respect for rules and the decisions made based on them is a deeply ingrained practice, if not a guiding value. Obviously, such rule orientation has a long tradition. Taiwan's propensity for rule promulgation is quite similar to that found in Germany and France. It is interesting to note that Taiwan's constitution was developed and modeled on that of Germany and that modifications of it have been influenced by French practices too.

Exchanges and orientations with these countries remain strong today. Whatever the source of modern rule orientation, rule-based decision making is strong in Taiwan. (Indeed, it is sometimes said that every action requires a rule, whereas, in the United States, actions are allowed unless prohibited by rule. Every exaggeration has its grain of truth.)

Yet, dependence on rules stymies flexibility, and a dynamic society presents new situations that are not covered or foreseen by existing rules and administrative practice. Taiwanese leaders and senior managers are often called upon to exercise discretion and to formulate new rules to address newly emerging cases. Such leader-centric decision-making styles are also consistent with the Confucian heritage, it might be noted. Leaders are expected to overrule rules and thereby set new precedent. Unhappily, many top leaders seem overburdened by their many duties and unable to make all the necessary decisions. Although increased discretion of lower officials is likely to be needed in future years, such efforts may be experienced by citizens and others as contradicting other values of accountability and democracy.

23.4.5 History of Administration and Reforms in Taiwan

The following sections add detail to the broad historical outlines sketched earlier, focusing on the history of administrative reform in Taiwan through the late twentieth century. Doing so reinforces some points made earlier, while also providing a bridge to some of the other chapters in this book.

23.4.5.1 Formative and Initial Stage

As previously noted, the early roots of the administrative system of Taiwan lie in Mainland China. In 1934, the Kuomintang, then the ruling party of Mainland China, ordered a review of the evolution of public administration in Taiwan. The Research Committee of Administration Efficiency was established in the Ministry of Interior under the control of the central government in order to advocate the “new life movement.” The duty of the committee was to offer research and recommend the checks-and-balances system, budget system, personnel system, and administration efficiency system in public organizations. The committee was reorganized as the Administration Efficiency Promotion Committee in 1937, and it proposed the reform program as the plan–implement–evaluate administration system in 1940. The spirit of this new system was to assure the administration of solid linkage among planning, implementing, and auditing. This system has influenced the administration system in Taiwan until now.

Following Japan’s defeat and surrender at the end of World War II, the administrative area of Taiwan was returned to China on October 25, 1945. In 1949, the central government of China, then governed by KMT, lost its battle against the Chinese Communists, and the KMT retreated and relocated to Taiwan. In these early years, to face the threats from the cold war atmosphere and the other side of

the Taiwan Strait, the strategy of national development was also rooted in national authority; the government controlled social development and freedoms in order to ensure and provide various economic and social resources.

The KMT instituted martial law and the National Assembly added an emergency clause to the constitution called the “Temporary Provision of the Period of Communist Rebellion,” which restricted the basic rights of individuals. The spirit of nationalism was strong and seen as necessary in these times. The central government advocated economic construction and many efforts were directed toward that aim. These spirits of national and administrative controls are associated with creating the “economic miracle” that Taiwan would later become.

However, the government faced both internal and external problems. The internal problems, such as the shortage of expenditures and money, ineffective operations, inefficiency of the bureaucratic system, corruption, and the waste of resources, were waiting to be solved (Chen 1995, 71, 193). A series of administrative reform initiatives were undertaken. The United States put pressure on Taiwan to speed up administration reform, and in 1956 a committee was established (the Huang Jilou Committee, under the Executive Yuan) that suggested reforms.

The committee learned from the American Hoover Commission. Six work teams focused on administration, finances, the interior, foreign affairs, education, and the judiciary; each made recommendations with regard to five directions, including judicial, economic, efficiency, service, and administration function reforms. None of the commission’s 47 recommendations were adopted by then President Chiang Kai-shek. However, in 1958 a second committee was established (called the Provisional Administration Reform Committee or the Wang Yunwu Committee) that focused on administrative adjustments, a checks-and-balances system, administration efficiency, multilevel duty, uniform management of staff work, local administration, improvement of the salary system for public employees, and prevention of corruption. The committee produced 88 recommendations, which were certified and adopted (see also Hsu 2003).

In order to implement these recommendations, the Administration Reform Recommendation Task Force was established in January 1959. Not all recommendations were successfully implemented, however. Those that were implemented concerned problems of administration procedures, improving the quality of meetings of the Executive Yuan, the assurance of multilevel responsibilities in administration organizations, having regular public meetings, and communication and cooperation between local councils and local governments in Taiwan Province (M-h. Chiang 1998, 88–91). Reforms not well implemented concerned institutional problems, such as checks-and-balances relationships and reorganizing the administrative organizations in the Executive Yuan.

In December 1966, President Chiang Kai-shek established a new round of reforms. The Central Personnel Administration was established in September 1967; not the least of its duties was to bring the scientific and efficiency values from martial units to administration units (Jiang 1997, 176). The Research Development and

Evaluation Commission (RDEC), Executive Yuan, was established in April 1969 to be the main institution responsible for administration reform (RDEC 1980, 1). In June 1969, the “Framework to Enforce Political and Economic Efficiency Plan” was passed to enforce the regulation and complete reforms. For example, all of the Executive Yuan’s subordinate agencies were required to establish research development and evaluation systems in order to adapt scientific management methods and advance the plan–implement–evaluate administration system.

In sum, the following features characterize reforms during this initial stage: (1) initiated reactively rather than proactively, (2) often focused on improving administrative efficiency and control, (3) grounded in theories of administrative management, and (4) lacking any spirit of democratic participation and not addressing broader social and political issues.

23.4.5.2 Public Administration in the 1970s: Grounding Stage

In the 1970s, against the background of political and economic crises, new efforts were undertaken to address public corruption and competency. In 1971, the People’s Republic of China succeeded in gaining admission to the UN General Assembly, and in 1979 Taiwan ended diplomatic relations with the United States. Two oil crises shook the global economy in 1973 and 1978. These external factors increased concern about the working of government as well.

In June 1972, Prime Minister Chiang Ching-kuo proposed a 10-item administration reform (Zhang 1991–1992, 360–361) that mainly focused on matters of ethics (some relating to building construction):

- increasing transparency by informing the public of the beginning and closing dates of public construction
- ensuring that only qualified civil servants attend international or academic conferences
- forbidding any kind of bribery activities among civil servants
- forbidding banquets among civil servants
- forbidding too many messages of marriage or funeral celebrations among civil servants
- forbidding civil servants to go to red-light districts
- forbidding civil servants to attend public ceremonies
- forbidding civil servants to change budget items without the basis of law
- requiring civil servants to fulfill their duties
- temporarily halting construction of new official buildings

These regulations are still part of the administrative system, and in subsequent years more of such regulations have been adopted (Zhang 1991–1992, 185)—for example, in April 1974, transparency in financial, personnel, opinion, and punishment and award systems (so-called “four adaptation outlines”). In October

1976, the “Outline of a Multilevel Responsibility System in the Administration Institute” was passed; it increased internal empowerment and a multilevel system of responsibility. In August 1979, the Audit Team for Enforcement of Citizen Services was established. Its purpose was to plan, communicate, research, and audit government services for citizens in order to create a positive impression of public services. Unhappily, empirical research on the effectiveness of these measures is largely lacking.

In addition, the Executive Yuan noticed the total number of government employees increasing every year, and an organization restructuring program started in 1972 to decrease government work units by merging units and reducing incompetent employees. In March 1972, the “Compilation Plan for Organization Function” was passed, and the Executive Yuan decreased by 1,985 institution units and laid off 1,641 incompetent workers in July 1974. The “Five-Year Employee Streamline Plan” was adopted in September 1975 and, after 5 years, an additional 409 institution units were eliminated and more than 14,000 employees were gone. In September 1978, a new reform was undertaken (“work simplification”) to increase scientific management and also lay off incompetent workers. Another 7,588 incapable employees were let go between 1979 and 1984.

One of the most important reform programs was the localization of public administration in Taiwan in the 1970s. The KMT wanted to reinforce the legitimacy of its authority and address the problem that many of the political elite had been cultivated since Chiang Chingkuo was prime minister in the early 1970s. The objective was to broaden the pool of talent and participation. The first part of this program increased the number of young officials in the government, enabled them to participate in the exercise of authority and decision making, and cultivated them for becoming future members of the cabinet or as chairmen in provinces. The second part focused on creating a regular election of the National Assembly, starting with the central representation election, in order to cultivate more political leaders for participation in national policy decisions.

23.4.5.3 Public Administration in the 1980s: Transforming Stage

The name of this period is based not on major administrative reforms, but rather in the significance of influential major events outside administration. Indeed, this period saw relatively few administrative reforms. Two National Administration Forums were undertaken in 1981 and 1986, but these did not result in major new initiatives. Rather, salient events included the deregulation of martial law in July 1987 and termination of temporary provisions and emergency decrees. Undoubtedly, the changing atmosphere of the cold war also made these possible. Democratic reforms were passed during the late 1980s, amendments were discussed and passed regarding the Executive Yuan, political parties were given the freedom to organize, and new newspapers were allowed. This period marks the end of martial rule and the beginning of democratic reform.

Beyond political change, economic and social liberalization were occurring too. In economic development, the rapid economic growth of Taiwan was noted and it became one the “four dragons in Asia,” along with Hong Kong, South Korea, and Singapore. At this time, Taiwan also reduced import barriers and broadened exchanges with the United States and European countries in order to develop its economy further through liberalization and internationalization. Socially, dynamic social reform movements emerging with the coalition of the political movements. Many environmental and welfare strikes and movements emerged in the 1980s. Taiwan’s industrial deepening, democratization, and the rise of mass politics greatly reduced bureaucratic insulation and thus bureaucratic power in decision making; bureaucrats became more susceptible to public pressure, new economic interests, and political will.

In short, social, economic, and political liberalization were occurring and would affect public administration in profound ways in the 1990s.

23.4.5.4 Public Administration since the 1990s: Shedding, Efficiency, Accountability

The democratization of Taiwan, increased concern with corruption,² and the emergence of new reform movements in the West (new public management) triggered an ongoing series of reform efforts in Taiwan. The KMT sought to make government more effective and more honest and thereby also hoped to fend off increased political competition from the newly emerging opposition (Shih 2007). The three main reform targets were integrity, effective efficiency, and public convenience (e.g., Tsai 2008; RDEC 2008).

Work on a new administrative reform program under Premier Lien Chan began in 1992 and was officially adopted in January 1994 (called the administrative renewal project). The three main targets of reform were administration efficiency, reduced corruption, and support of the development of civil society. Regarding administration efficiency, many cues were taken from the then burgeoning movement of new public management in the United Kingdom, United States, and other countries. (The nature of these reforms is discussed in a later chapter in this book.)

The efforts in Taiwan focused on increasing citizen convenience and speed. Streamlining services and the use of IT were important strategies, though other efforts included work improvement squads, simplification of construction and contracting-out regulations, modernization of paper and electronic documents, improved cross-sector and cross-agency communication, and the development of an association whose purpose was reform of administration. There is some evidence that concern with government competitiveness in international rankings played a role in undertaking these efforts as well. Although overall competitiveness of Taiwan’s government has been stable (about 15th–20th in the world),³ Taiwan is now very highly ranked for its government IT services and is often among the top in the world (see Chapter 29).

Government also sought to speed up privatization of state-owned enterprises, which had been ongoing since 1989. In July 1989, the Executive Yuan established the Task Force for the Implementation of the Privatization of National Corporations. There is evidence of quite some privatization and outsourcing in Taiwan. The original 40 state-owned corporations were reduced to 26, by 2006, and there are plans to reduce these further. Outsourcing is a matter for individual agencies; cleaning and information systems are routinely outsourced and, by 2000, about 50 medium to large functions of agencies had been outsourced, notably in environmental protection and social services (Shih 2007, 305). Undoubtedly, there is a feeling that more can and should be done in this area, though concerns are sometimes voiced about private-sector corruption that can accompany such efforts. About 30,056 government positions have also been eliminated as a result of reorganization and efficiency measures.

To address corruption by civil servants, a review of the Public Functionary Assets Disclosure Act was called for; in the Administration Reform Program of 1995, new regulations were established to prevent corruption, and the structure and functioning of corruption control organizations were improved. In addition, a review of public resources, a review of statutory fees, increased privatization and private participation in public construction projects, and improved auditing of implementation plans were called for. The program also called for protection of the environment and increased economy in using natural resources in government operations.⁴

Reforms in the 1990s might have been slow or piecemeal, but they were successful enough to call for more. After the first presidential election, President Lee Teng-hui continued the reforms. The National Development Council, held at the end of 1997, focused on the future development of Taiwan in three critical areas (constitutional institutions and politics, cross-strait relationships, and economic development). The NDC resolved to implement a new round of administration reforms with the same aims:

- reducing the number of government employees
- using electronic government to increase competitiveness
- improving service quality
- reinforcing the development of civil society

Premier Vincent Siew further developed these themes into separate reform projects that included additional concern for improving finance. Similarly, a framework of government reform was proposed in January 1998; its main target was to establish innovative, flexible, and responsive government, somewhat modeled after private-sector experiences with “lean” management and reengineering practices (P-k. Chiang 1998).

When the opposition party, DPP (Democratic Progressive Party), came to power in 2000, an “economic development conference” was convened in 2001;

this led to creating a Council on Government (CGR). According to Shih (2007), then President Chen did not trust the bureaucratic system, and he chose advisors from business and academia and personally chaired the reform council. Its slogan was “Active Government with Global Competitiveness,” showing continuation of past issues and foci. Yet, the CGR set out to streamline government organization structure as well by shedding functions and reducing the large number of agencies, thereby reducing complexity in coordination, policy integration, and oversight (control) by the president.⁵

Some of the changes and consolidations have come to pass. Also, the Taiwan provincial government and the Fujian provincial government have been drastically downsized and their functions largely transferred to central government departments. Additionally, the Local Government Act promulgated in 1999 puts the provincial governments under the control of the Executive Yuan, meaning that they would no longer be self-governing bodies.

In addition, the Office of the President invited the elite from different fields to organize the National Reform Commission (NRC) in October 2001. This was the largest scale of government reform led by the highest official level in administration reform history. These reforms have continued to advocate deregulation, efficiency (often following private-sector business practices), decentralization, and outsourcing. One of the purposes of outsourcing is to continue reducing the size of the government payroll, which is pursued in conjunction with strategies of voluntary separation and early retirement, along with heightened interest for the use of information technology and citizen participation and comment processes. In a sense, NPM continues. Indeed, in 2004, the Legislative Yuan passed the Basic Code Governing Central Administrative Agency Organizations, which provides further streamlines, simplifies organizational structures, reduces redundant personnel, and increases managerial flexibility.⁶

Yet, while these reforms continue, the observation cannot be denied that, relative to other countries, Taiwanese government has not increased its government competitiveness (Shih 2007). Despite many NPM successes—notably in e-government—some perceptions persist of Taiwan sometimes having a difficult, inflexible, and corruptible bureaucracy. These problems are surely less present today than in the past, but other administrative systems have also improved themselves, sometimes in the same areas. Hence, further reform is needed.

23.5 Concluding Thoughts

Taiwan is a small island that, from quite modest beginnings, has established itself as an economically significant and democratic system. It has a public administration that is able and usually effective, though not without its share of performance and ethical shortfalls at times. It is guided by values of administrative efficiency, accountability, democracy, and rule orientation. Many recent reform

efforts have aimed at bringing modern management techniques to it, including reengineering and information technology, for example, as well as heightened concern for ethics.

Undoubtedly, ethics will reign as an important issue for some time to come. Yet, increasingly, careful empirical distinctions are called for. With so many laws in place, who are the “sinners”? Certainly, violations do not always involve low-level officials. The area of ethics may need more fine-combed analysis in order to avoid a civil service reputation tarnished by the acts and politics of a few.

Some new and strategic significant concerns may be emerging. Because democratization has now taken root, the question is how the public administration can and will continue to lead society. Taiwan’s administration is surely not alone in this challenge: This is a concern for most small administrative systems and even for large ones. New industries must be developed, and central administration must play a key role ensuring that resources are adequately marshaled to assure economic competitiveness. Civil servants need to exercise more initiative—of which there is not really a well-established model in democratic societies. Likewise, social needs that use but cannot always depend on civil society must be met. Beyond this, growing trade between Taiwan and Mainland China brings forth emerging concerns.

The question of effective public administration leadership in a modern, interdependent democracy seems likely to emerge in the near future as a paramount issue quite separate from the continuing importance of ongoing administrative reforms. Modern society inevitably brings new challenges for public administration.

Notes

1. Some changes are forthcoming at this point. On April 9, 2009, the 3139th meeting of the Executive Yuan passed a plan on government restructuring. The number of governmental agencies will be reduced from 37 to 29. This restructuring is based on the three principles of streamlining, flexibility, and efficiency mentioned by President Ma Ying-Jeou in his policy address. Restructuring will also encompass investigation of government functions, reduction in the numbers of ministries and commissions, procedural simplification, organizational diversification, strengthened oversight, and increased service efficiency. In order to speed up the reform process and secure public support, the Executive Yuan has urged the Research, Development and Evaluation Commission to stick to the timetable and has actively promoted follow-up activities and helped promote communication among the Legislative Yuan, parties, and legislative committees. The Executive Yuan’s plan should be ready for formal implementation in 2011. During the reforms, the government will maintain its focus on its core competencies in order to protect citizens’ rights and benefits.

Under the goal of building a “streamlined, flexible and effective government,” the reform of the Executive Yuan will be carried out in accordance with the following principles: First, the core government functions will remain operative to serve the people. Second, new ministries or councils may be created in response to urgent social needs.

Last, the functions of agencies for particular purposes will be kept to maintain the optimal design of second-level agencies in the central government. Therefore, there will be 13 ministries, nine commissions, four subsidiary agencies, and three independent agencies.

The five new ministries are Ministry of Health and Welfare, Ministry of Culture, Ministry of Labor, Ministry of Agriculture, and Ministry of Environmental Resources. The 13 downsized commissions are Mongolian and Tibetan Affairs Commission, Council for Cultural Affairs, Council of Labor Affairs, National Youth Commission, Atomic Energy Council, Department of Health, Environmental Protection Administration, Government Information Office, Consumer Protection Commission, Public Construction Commission, Council of Agriculture, Council for Economic Planning and Development, and Sports Affairs Council.

2. A number of serious public construction purchasing scandals caused increased public concern about public integrity and bribery. These included the highway construction scandal, the waste water scandal of CPC Corporation Taiwan, the purchasing scandal of Taipei Rapid Transportation System, and the purchasing scandal of Martial Equipment and Expenditure.
3. Garelli (2005, 50–51).
4. In addition, the interest and encouragement of civil society led to proposal of the idea of “community corporate development” in 1994. Increased responsiveness was also furthered by the direct election of the mayors of Taipei and Kaohsiung in 1994 and the first presidential election in 1996.
5. In 2009, the minister of the Development and Evaluation Commission, Executive Yuan, said that since 1947 over 20 governmental divisions had been created, thus making coordination, integration, and mobilization difficult. The number of governmental agencies will be reduced from 37 to 29. The ministry emphasized that this restructuring was based on the three principles of simplification, flexibility, and efficiency. Restructuring will also encompass examination of government functions, reduction in the numbers of ministries and commissions, procedural simplification, organizational diversification, strengthened oversight, and increased service efficiency.
6. Consisting of seven chapters and 39 articles, the code provides guiding principles and regulations governing agencies’ organizational regulations, names, ranks, and grades; establishment of agencies; adjustment and closure regulations; agency powers and services; and the establishment of internal units (<http://www.rdec.gov.tw/ct.asp?xItem=4088090&ctNode=10100>).

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