

The Development of Local Governance in Taiwan

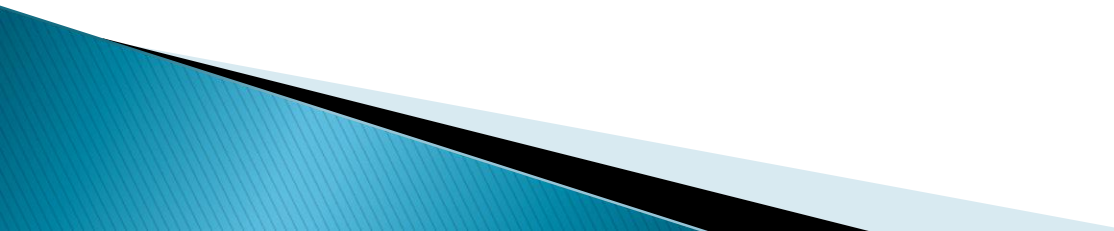
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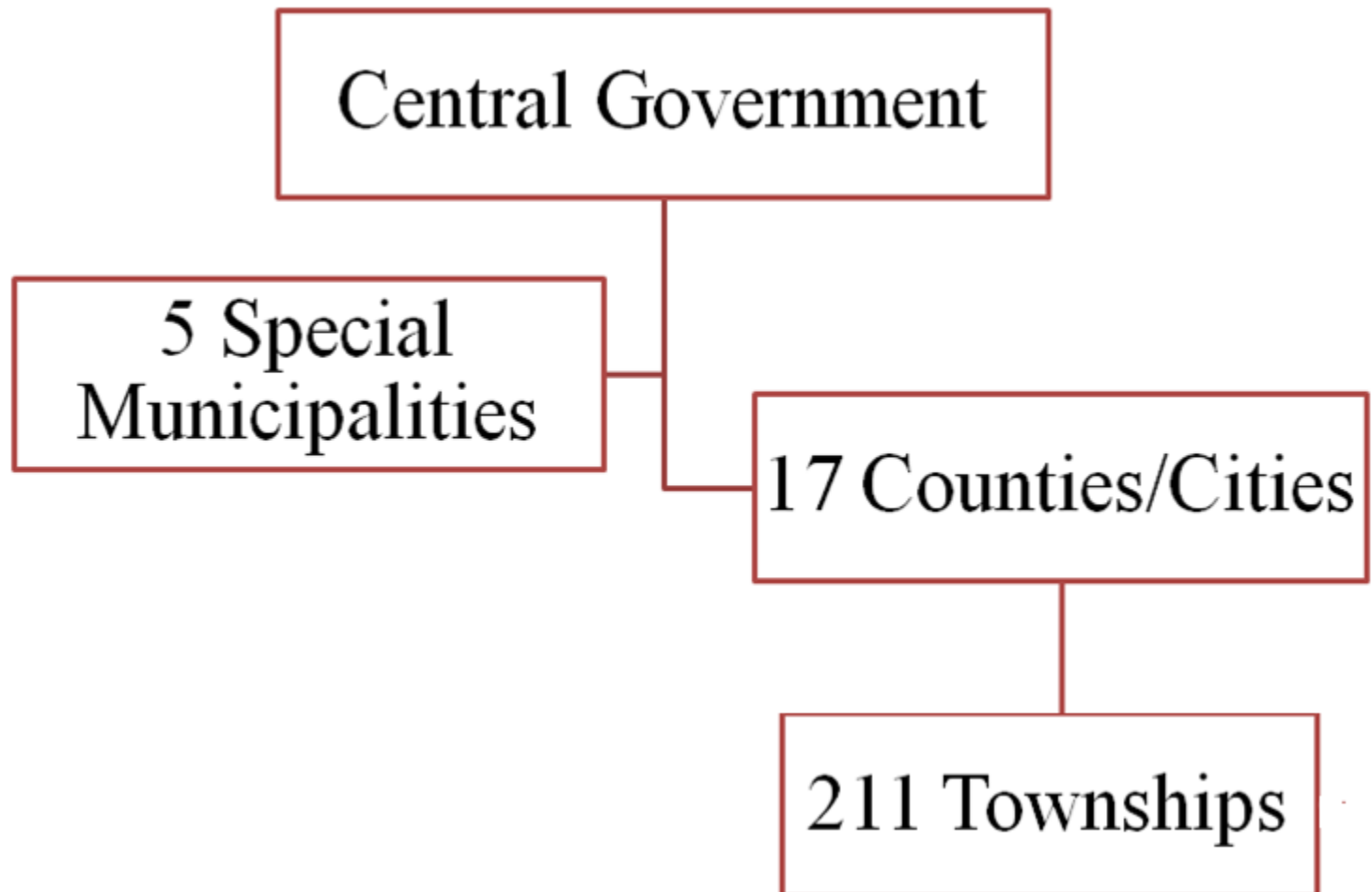
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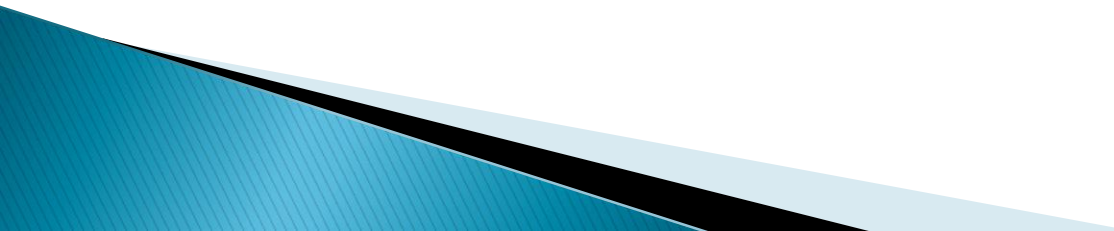
3 levels of local governments

As a unitary state, Taiwan's central government delegates political power to three levels of local governments.

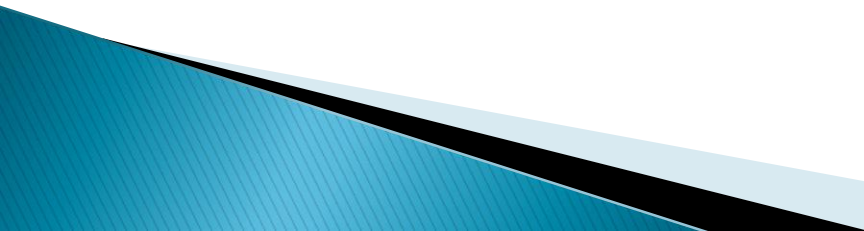
- 5 special municipalities
 - 17 counties/cities
 - 211 townships
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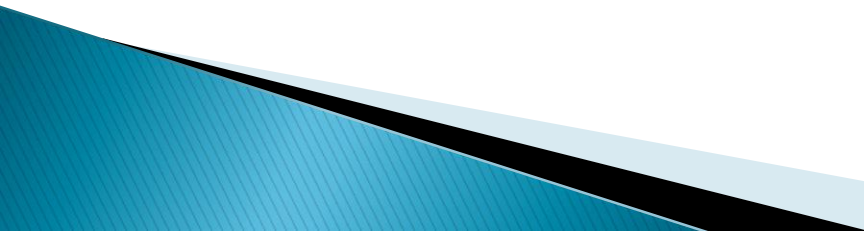
Transformation process of local governance

- ① Martial law years (1949–1987)
 - ② Democratization years (1987–2010)
 - ③ Five special municipalities phase (2010–present)
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① The Martial Law Phase

- ▶ Local governments held local elections, including for city mayors, county and township magistrates, and local councilmen of counties.
 - ▶ Local governments had some executive authority and local councils some rights to decide local affairs, but central government held arbitrary supervision powers and had the final ruling power on local affairs at all levels.
 - ▶ Intergovernmental relations were characterized by hierarchical relationships between the central government and local governments.
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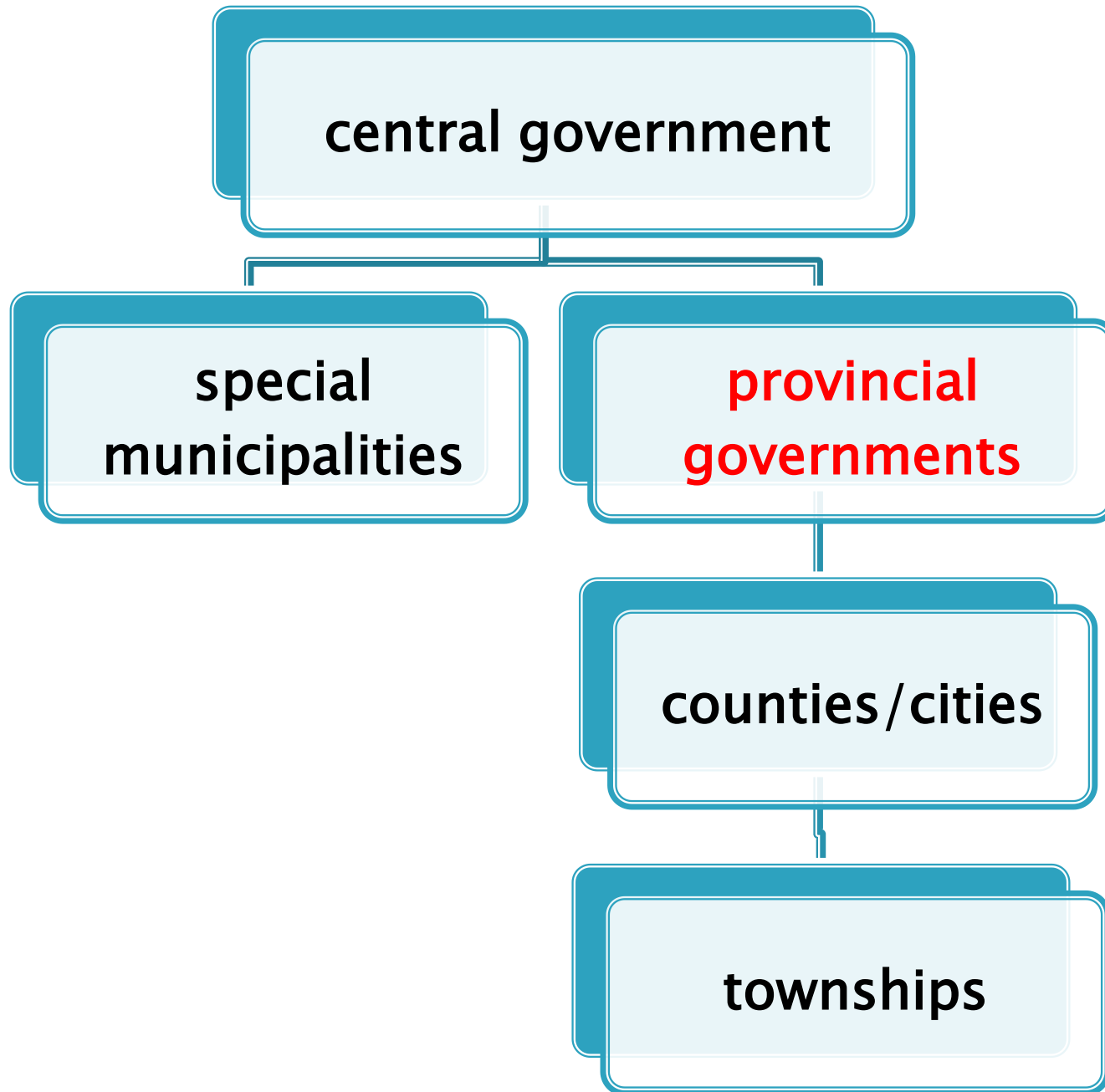
② The Democratization Phase (1987–2010)

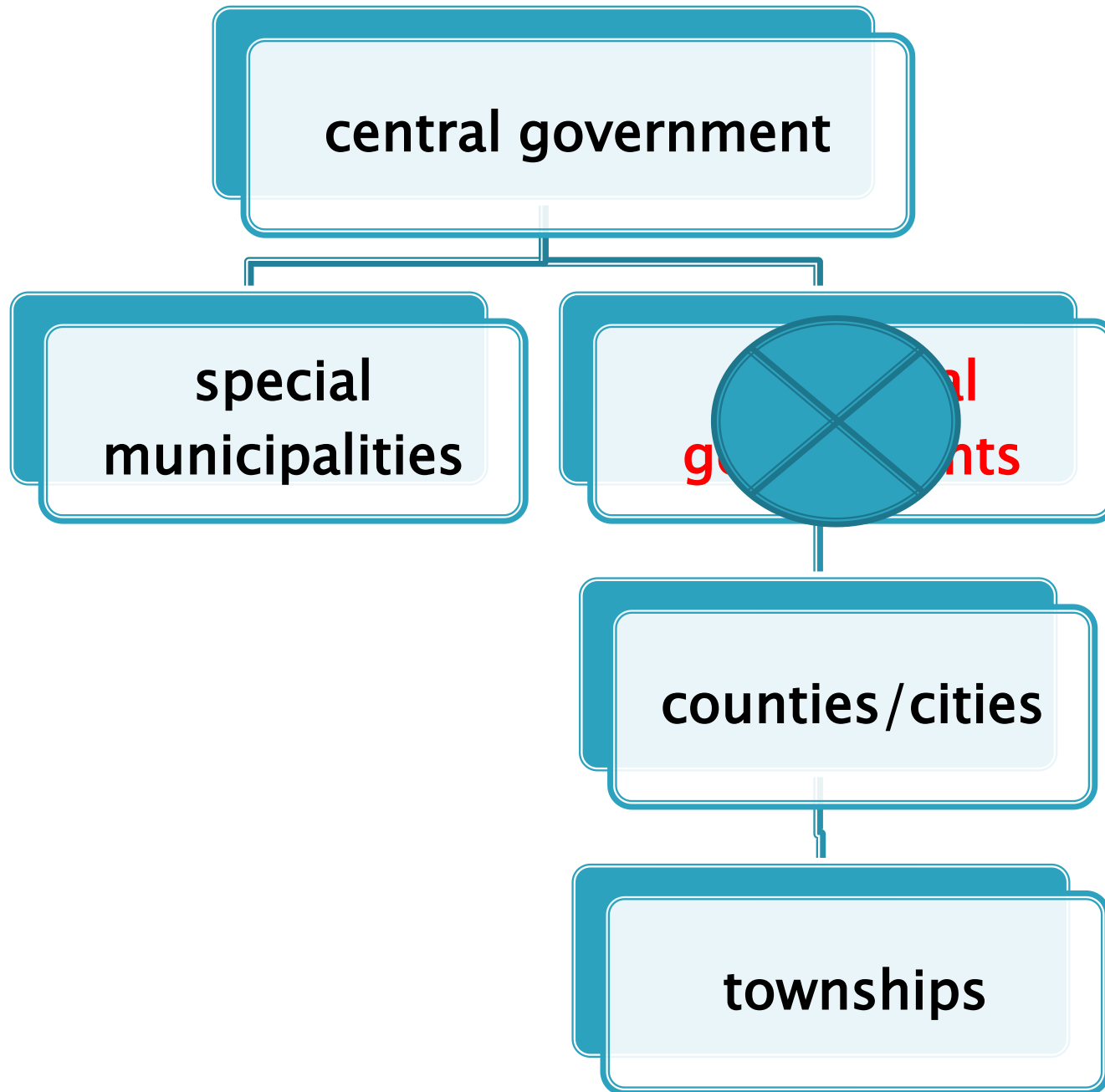
- The status of local government has greatly improved since 1987.
 - Supreme Court rulings provided 3 major rights for local governments –
 - a. Congress should respect the rights of self-governance that are protected by constitution.
 - b. During the legislative process, the central government had a duty to consult with local authorities.
 - c. To coordinate policy formulation, the central government should build bargaining mechanisms with local authorities.
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② The Democratization Phase

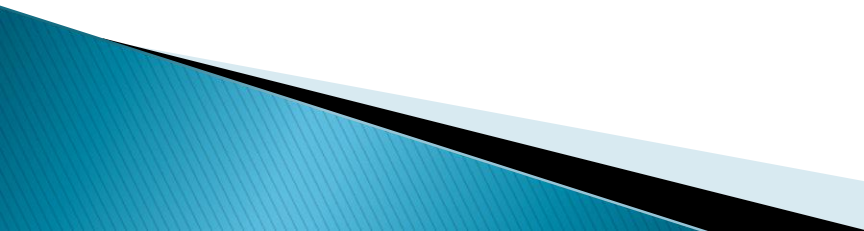
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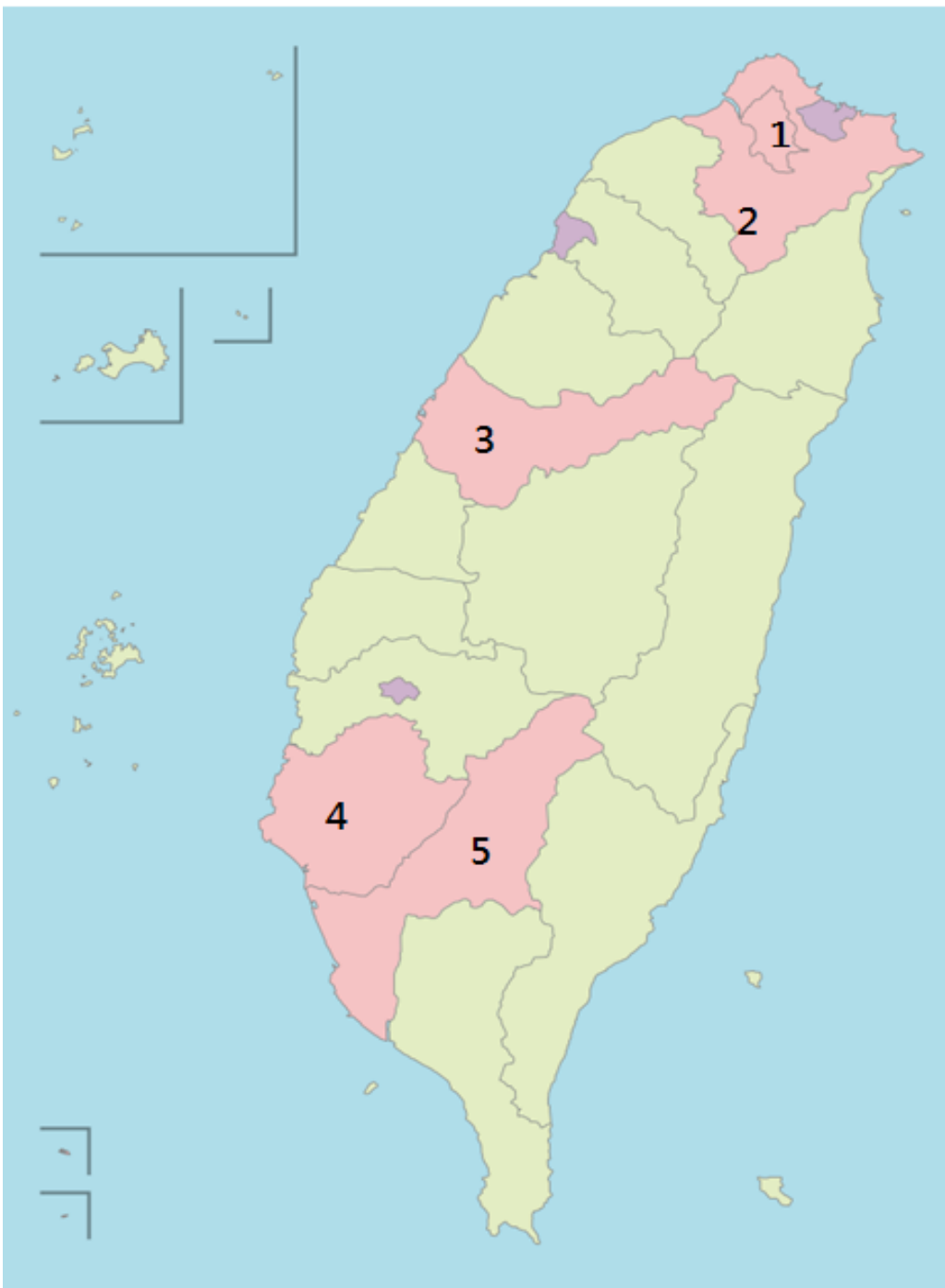
- **Streamlining of province** –
The Taiwanese provincial government was suspended in 1998. It was thought that, with four levels of local governments, intergovernmental relations were inefficient on a small island such as Taiwan.



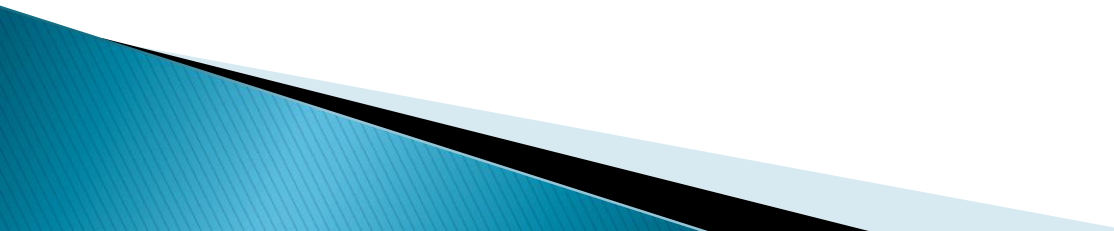


③ 5 Special Municipalities Phase (2010 ~)

- ❑ Except Taipei and New Taipei, the other 3 cities (Taichung, Tainan and Kaohsiung) were expanded through a merger of two administrative districts and upgrading the county government.
 - ❑ The 5 municipalities have 68% of Taiwan's total population and share 61% of centrally allocated tax revenues.
 - ❑ With more resources, special municipalities are expected to become “locomotives” boosting the development of their regions and become cores of the three living areas of northern, central and southern Taiwan.
- 



1. Taipei
2. New Taipei
3. Taichung
4. Tainan
5. Kaohsiung

- The special municipalities' status grants their mayors more say in national policymaking. Besides, they will have greater freedom in managing their personnel, administrative and fiscal affairs.
 - Taoyuan will become the sixth special municipality in end of 2014.
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Size of Local Governments: *personnel*

1. There were 686,000 public servants (including public school teachers) in Taiwan in 2014, with 47% employed by the central government and the remaining 53% by the local governments.

If excluding teachers, then the central government employed 59% public employees and the remaining 41% worked in the government.

Size of Local Governments: *budgets*

2. The Taiwanese government's spending is 18.3% (as % of GDP) for 2013. Among them, 61% was spent by the central government and the remaining 39% by local governments.

Prospects & Challenges -1

- In summary, local governance in Taiwan has undergone a significant transformation from central dominance to decentralization.
- The direction of further decentralization is clear in the evolution of local governance in Taiwan.

Prospects & Challenges -2

- Local governance in Taiwan is still suffering from --
 - ① insufficient self-governance skills;
 - ② immature central-local partnerships;
 - ③ regional inequality of fiscal capacity;
 - ④ corruption.

