

Taiwan

Self-Rule

Institutional Depth and Policy Scope

Taiwan, officially the Republic of China, is an island nation in East Asia. It has an estimated population of 23.6 million and an approximate area of 35,980 sq km (2018 National Statistics Bureau). It is presently divided into six *zhixiashi* (special municipalities), three *shi* (provincial cities), 13 *xian* (counties), 157 *qu* (districts), 18 *xiànxíashì* (county controlled cities), 41 *zhen* (urban townships), and 152 *xiang* (rural townships). Historically, the island was divided into two provinces (*sheng*), which included the province of Fujian and the mainland of Taiwan island. Taiwan's central government used the self-referential term of "Provincial Government." Due to our population threshold of an average of 150,000, people we code what is currently considered to be the first administrative tier of subnational government,¹ which is comprised of the *zhixiashi*, *shi*, and *xian*, as well as the *sheng* from 1950 to 1998 when the Taiwanese and Fujian provincial governments' functions transferred to the national and local county governments, respectively.

¹ The *shi* and *xian* were technically the second tier of administration below the Taiwan provincial government between 1950 and 1998, but with the dissolution of the provincial unit they are now first tier units.

Taiwan's history and independent status is complicated and disputed. Taiwan is unique in that the current government structure is what remains of the pre-Communist Republic of China. In 1949, following defeat on mainland China, the nationalist forces and government relocated to Taiwan where they continued to operate as the Republic of China. From the founding of Taiwan as independent of mainland China in 1949 until 1975 Taiwan was ruled under martial law by Chiang Kai-shek. Following Chiang Kai-shek's death, his son Chiang Ching-kuo continued to govern by martial law. Beginning in the mid-80s Ching-kuo began to democratize the political system and martial law was lifted in 1987. This liberalization process continued under Lee Teng-hui after Ching-kuo passed away in 1988, and resulted in the first democratic elections for the president of Taiwan in 1996.

The constitution which governs Taiwan is the 1947 Constitution of the Republic of China. However, the constitution was suspended in 1987 and only slowly implemented thereafter. This constitution has been amended three times since the end of martial law: in 1994, 1997, and 2000. One aspect of the constitution that was implemented following the democratic reforms of the 1980s was the implementation of subnational administrative divisions. Prior to this implementation, these administrative divisions of Taiwan function as deconcentrated governments. The central government appointed the executives of the units while continuing to allow local assemblies at all levels to be directly elected.

The subnational structure of Taiwan is quite complicated, for both political and governance reasons. At the advent of the Republic of China (ROC) in 1950, when the Kuomintang fled the Chinese Communist Party and mainland China (PRC), Taiwan was considered as one province of the PRC. What became known as the Republic was composed of

two provinces: Taiwan province (the mainland of ROC) and Fujian province, a handful of small islands just off the coast of mainland PRC. These two provinces were subdivided into lower-tier counties, districts, and townships, which remain the three lower layers of subnational authority within ROC.

From 1950 to 1966 Taiwan province was essentially coterminous with the ROC state except for the islands of Fujian province. For security reasons given its close geographic proximity to mainland PRC, in 1955 the government of Fujian province was taken over by the ROC military and moved to the Taiwanese mainland. It remained directly controlled by the ROC government until the early 1990s when democratization reduced the central state's desire to control it, and in 1996 the Fujian provincial government returned to the islands.

In 1967 the first of two special municipalities was created alongside the two *sheng*: Taipei City. In 1979 Kaohsiung joined Taipei City, bringing the total number of first tier units to four. The special municipalities assumed special status in the context of national development planning. While special municipalities received far greater shares of redistributive funding over which they could control the administrative apparatus, their executives were appointed by the central ROC government. At the next lower tier of government, the provincial cities and counties in Taiwan and Fujian province, executives remained directly elected by the local populations throughout martial law. All subnational units possessed elected assemblies and were clearly distinct from lower-tier units, but aside from the local assembly elections were governed in largely deconcentrate manner under martial law until 1987. From 1950 to 1987, *sheng*, *zhixiaishi*, *shi*, and *xian* all score 1 on institutional depth and 0 on policy scope.

In 1987, martial law was lifted and liberalization of the political system began, even though regional policy authority was only later laid out in law. In 1994, the first direct executive elections for the provinces, counties, and special municipalities were held. At this time, two laws began the process of implementing local governance in ROC. The Special Municipality Autonomy Act of 1994 laid out the process of election of mayors for Taipei City and Kaohsiung, while the Provincial and County Autonomy Law of 1994 did the same for provincial governor, county magistrates, and provincial city mayors. These two acts also laid the groundwork for broad-reaching policy, fiscal, and borrowing control to the subnational units. This included some control over the budget and policy competence related to issues such as urban planning and land use (Tan, Yu, and Chen 1996, 489).

In 1999, the Local Government Act finally established an extensive framework for decentralization within ROC. It appears that the two previous acts (Provincial and County Autonomy and Special Municipality Autonomy) were consolidated under the LGA. The LGA provides for extraordinarily far-reaching authority for all subnational units, which appear to have congruent authority over the same list of policy competences at each of the different subnational tiers. These include economic and development issues, including budgeting and industrial development, education issues, and welfare issues, including health and social policy (Section 2). They do not appear to have control over their own institutional design, residual powers, local government, or policing. The *sheng*, *zhixiaishi*, *shi*, and *xian* score 2 on institutional depth and 0 on policy scope for 1988-1998, and the *zhixiaishi*, *shi*, and *xian* score 2 on institutional depth and 2 on policy scope for 1999 to present.

In 1998, as a result of both political factionalism and long-standing governability concerns, the ROC decided to downgrade the provincial layer of government (McBeath 2000). This meant removing much of the Taiwan province's authority by transferring its offices, powers, and resources to the national government, mostly to the ROC National Development Council. The downgrading of Fujian province's government led to similar transfers back to the ROC National Development Council and residual functions to the governments of Kinmen and Lienchiang counties. During the transition (1999 and 2000), the elected provincial governors and councils continued to operate, and so we continue to code the *sheng* as a 2 on institutional depth and 2 on policy scope as the process of competence transfer began. The provincial government institutions were retained until 2017, but it was little more than an empty "shell" and from 2001, the chairpersons and councils were appointed by the central state. To reflect these changes, we code the provincial governments as deconcentrated units from 2001 until 2017, when we stop coding the provincial governments as subnational units.

Fiscal Autonomy

In 1988, the Law on Fiscal Revenue and Expenditure was passed. This clearly delineated specific taxes to be under the purview of different tiers of government. Though most taxes, and all major taxes, were levied by the national government, special municipalities and counties gained the right to levy land and house taxes, license and deed taxes, stamp duty, and entertainment tax. We interpret this to mean that municipalities and counties control the rates of only minor taxes. We reflect this change in fiscal autonomy as soon as direct local elections

are reinstated, so the *sheng*, *zhixiaishi*, *shi*, and *xian* all score 0 on fiscal authority from 1950 until 1993, and 1 from 1994.

Borrowing Autonomy

The Special Municipality Autonomy Act of 1994 and Provincial and County Autonomy Law of 1994 provides the power to issue bonds within limited scope (Tan, Yu, and Chen 1996, 489).

The Public Debt Act (1996) indicates that the central government can place restrictions on subnational units that violate certain stipulations in the Act, but otherwise subnational units may borrow without central pre-approval. Beginning in 1994 we code the *sheng*, *zhixiaishi*, *shi*, and *xian* as 2 on borrowing authority.

Representation

The assemblies of the *sheng*, *zhixiaishi*, *shi* and *xian* remained directly elected throughout military rule. However, only the *shi* and *xian* magistrates were elected offices during this period (Tan 2000), while the *sheng* governors and *zhixiaishi* mayors were centrally appointed. With the implementation of the Provincial and County Autonomy Law of 1994 and Special Municipality Autonomy Act of 1994, direct election of the *sheng* governors and *zhixiaishi* mayors began. We code the *sheng* as 2 (on assembly) and 0 (on executive) from 1950 to 1993, 2 and 2 from 1994 to 2000, and 0 and 0 from 2001 to 2017; the *zhixiaishi* are coded 2 and 0 from date of creation until 1993, and 2 and 2 from 1994 to 2018; and the *shi* and *xian* are coded 2 and 2 throughout the period.

Shared Rule

There is no shared rule in Taiwan, which has a unicameral legislature.

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Self-rule in Taiwan

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
Sheng	I	1950-1987	1	0	0	0	2	0	3
	I	1988-1993	2	0	0	0	2	0	4
	I	1994	2	0	0	0	2	2	6
	I	1995-1998	2	0	1	2	2	2	9
	I	1999-2000	2	2	1	2	2	2	11
	I->N/A	2001-2017	1	0	0	0	0	0	1
Zhixiaishi	II	1950-1987	1	0	0	0	2	0	3
	II	1988-1993	2	0	0	0	2	0	4
	II	1994	2	0	0	0	2	2	6
	II	1995-1998	2	0	1	2	2	2	9
	II->I	1999-2018	2	2	1	2	2	2	11
Shi	II	1950-1987	1	0	0	0	2	2	5
	II	1988-1994	2	0	0	0	2	2	6
	II	1995-1998	2	0	1	2	2	2	9
	II->I	1999-2018	2	2	1	2	2	2	11
Xian	II	1950-1987	1	0	0	0	2	2	5
	II	1988-1994	2	0	0	0	2	2	6
	II	1995-1998	2	0	1	2	2	2	9
	II->I	1999-2018	2	2	1	2	2	2	11