



Republic of China (ROC) Taiwan

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(This country profile is available online at www.unisa.edu.au/genderbudgets)

1 Background

Taiwan comprises a group of three islands located off the southeastern coast of China. More than 80% of its 23 million population (see table) is Han Chinese, 14% is mainland Chinese and 2% is indigenous. The majority of the population is Buddhist and Taoist and the official language is Chinese Mandarin (BBC 2010, CIA 2010).

Socio-economic indicators	
Population in 2008	23.0 million
Projected population change 2008–50	-18%
GDP per capita (PPP \$US)	Not available
Proportion (percent) of population below the Poverty Line (\$1 PPP a day) 2002	Not available
Gender equality indicators	
Seats in parliament held by women (% of total)	Not available
Maternal Mortality Ratio (per 100,000 live births)	Not available
Adult literacy rate, female (aged 15 and older)	Not available
Adult literacy rate, male (aged 15 and older)	Not available
Gross secondary enrolment: Ratio of female rate to male rate	Not available
Gross secondary enrolment: Female ratio (% of the female secondary school age pop.) 2005	Not available
Share of women in wage employment in the non-agricultural sector (% of total employment in the sector)	Not available
Budgetary indicators	
General Government public expenditure on education (% of GDP)	Not available
General Government public expenditure on education (% of total expenditure)	Not available
General Government public expenditure on health (% of GDP)	Not available
General Government public expenditure on health (% of total government expenditure)	Not available
Central Government military expenditure (% of GDP)	Not available
Central Government Public expenditure on defence (% of total outlays)	Not available
Open Budget Index: Overall Score	Not available

Sources: UNDP (2007) *Human Development Report 2007/08*; Population Reference Bureau (2008) *World Population Data Sheet*; World Economic Forum (2007) *The Global Gender Gap Report*; UN Statistics Division (2008) *Millennium Development Goal Indicators*; United Nations Population Division (2008) *World Population Prospects*; UNESCAP (2008) *Statistical Yearbook for Asia and the Pacific*; IMF (2008) *Government Finance Statistics*; Open Budget Initiative (2008). (See Explanatory Notes for details).

Note: Taiwan is not a member of any UN bodies as statehood is a pre-condition for acceptance. Due to its status, data on social and economic indicators are not published by the UN and other international organisations. Data provided in the text below comes from a variety of sources.

Taiwan's independent government was established in 1949 when two million defeated Chinese Nationalist supporters and their leader Chiang Kai-shek fled mainland China. Taiwan's sovereignty continues to be contested with China claiming sovereignty over the territory. Only 23 countries recognise Taiwan as a sovereign state, known as the Republic of China (ROC). These include Pacific, South American and African states. However, Taiwan holds unofficial trade and cooperation relationships with many countries that do not recognise its status as an independent nation. While Taiwan is not a member of any UN body it is engaged in a range of international and regional organisations including the World Trade Organization (WTO) and the Asia Pacific Economic Cooperation (APEC) (DFAT 2010, BBC 2010, CIA 2010). Whilst the relationship between China and Taiwan has been marked by political and military tension, in

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July 2010 an historic trade pact was signed by the two countries signalling significant progress in the relationship.

Until 1987 martial law was imposed by the Chinese Kuomintang (KMT) government and an authoritarian one-party state ruled in Taiwan. Since the lifting of martial law, Taiwan has experienced gradual democratisation. In 2000 elections installed President Chen Shui-bian of the opposition Democratic Progressive Party (DPP). In 2008 Ma Ying-jeou of the nationalist party (KMT) was elected president with the KMT gaining a majority in the legislature (DFAT 2010, BBC 2010, CIA 2010). Currently the Premier of the Executive Yuan, nominated by the President, is WU Den-yih.

Over the past 60 years the Taiwanese government has played a central role in laying out the structural foundations for economic growth. Whilst often described as a late industrialiser, Taiwan emerged as 'one of East Asia's economic "Tigers"' (Seguino 2005). From an agriculture-based economy in mid-1960s, Taiwan transformed into a low-technology manufacturing expert-oriented economy. However, it soon recognised the potential of engaging in high-tech industries and the services sector now accounts for over 70% of GDP. With an economy closely intertwined with China's, Taiwan has a significant trade surplus making it the fourth largest holder of foreign reserves behind China, Japan, and Russia. Deeply dependent on exports, the global economic and financial crisis of 2008 had a significant impact in Taiwan's economy but government stimulus measures and increased external demand saw it recover from mid-2009. However, unemployment of nearly 6% remained a problem in 2010 (ADB 2008, DFAT 2010).

In recent years, scholars have noted that for the first time in Taiwan's history almost everyone in the country considered themselves to be middle class (Moskowitz 2008: 330). In 2010 the Australian Department of Foreign Affairs and Trade reported that Taiwan's GDP per capita was estimated at US\$15,373. Taiwan's HDI has been ranked by the Taiwanese government as being 24th in 2003, further suggesting that it belongs to the category of high human development (Shu-ling 2003). However over the past decade income disparities have been aggravated with only the highest-earning 20% of households benefitting from increases in income between 2001 and 2005 while incomes for other groups, in particular unskilled labour, stagnated or declined (ADB 2008). According to Taipei's Economic and Cultural Office - Australia (2003) Taiwan's international cooperation includes 'contributions to a number of MDG goals on its own initiative, some of them through nongovernmental organisations (NGOs)'. Targeted issues include health care, disease prevention and disaster relief (Taipei Economic and Cultural Office - Australia 2003).

Commentators point to the status and opportunities of Taiwanese women improving significantly over the past 20 years. Ho Bih-jen, secretary-general of the NGO National Alliance of Taiwan Women's Associations argues Taiwan has one of the most comprehensive gender-sensitive legal systems in the Asia region (Gao 2010). Progress is evident in education, which in 2004 recorded no gender gap in educational attainment at the university level and below (Taiwan National Statistics 2008). Women hold a strong representation in the political arena, accounting for 30% of the Executive Yuan elected in early 2008 (Chung 2008). In part, these achievements can be attributed to the presence and vibrancy of a women's movement, which was able to take advantage of the lifting of martial law in 1987, the democratisation efforts that followed and high levels of economic growth (Chang 2006, Ku and Liang 1997, OECD date unspecified, Chiang 2000).

A cross-departmental Committee of Women Rights Promotion under the Executive Yuan was established in 1997 to coordinate and consolidate public resources for women-related policies, foster coordination between government and NGOs and engage in policy-making (Taiwan Women Right Promotion Foundation (WRPF) 2004a). The Committee consists of heads of ministries engaged in women's issues, women's rights specialists, and representatives from women's organisations (WRPF 2004b). Since the establishment of the Commission, a number of bills promoting gender equality have been passed including the *Domestic Violence Prevention Act*, *Gender Equity Education Act*, *Gender Equality in Employment Act*, as well as amendments to the Civil Code that ensure equal rights in terms of property and inheritance (FWRPD 2007; Taiwan Government Information Office 2006).

In 1999 the Ministry of Interior established the Foundation of Women Rights Promotion and Development, which operates as an interface between the government and the private sector with the aim to further progress the development and implementation of gender-sensitive policies (WRPF 2004a). In the early 2000s the Minister of Interior, Su Jia-Quan, summarised the path to improve gender equality outcomes in the country:

the Ministry of Interior will plan policies more carefully and integrate all forces in society to protect women's rights and build a society with true gender equality and mutual respect. In addition, the Ministry of Interior will also continue to provide good childcare and elderly care services to reduce the burden of women in family care so that women could contribute to the public office system. (Jie-Yang 2004)

In 2007 former President Chen Shui-bian (2000 – 2008) expressed his intention to move ahead with constitutional reform to further gender equality. Women's groups in Taiwan are paying close attention to the direction of future constitutional amendments (Ya-Li 2007).

Despite this progress, various challenges remain. The gender gap in higher education is evident at the post-graduate level with less women engaged at doctorate and master levels – with male to female ratios estimated at 275.2 and 152.4 (female =100) (Taiwan National Statistics 2008). An imbalance in sex ratios at birth slightly in favour of boys suggests a high incidence of 'missing women'. Some commentators have argued that the preference for boys remains prevalent as a leftover effect of the former economic over-reliance on agriculture production (OECD date unspecified). Taiwanese women's rates of employment have been increasing yet the female labour force participation rate remains low in comparison with other East Asian countries (Chang 2006). Gender differences in occupational distribution remain significant with women engaged in clerical and services and sales industries and men dominating legislative, professional and managerial jobs (Taiwan National Statistics 2008). In 2006, Taiwanese women on average still earned only 79.25% of their male counterpart's average wage (Taiwan National Statistics 2008).

Commentators have observed that programs established to enable women to combine unpaid domestic work with employment opportunities in the export manufacturing contributed to the erosion of women's bargaining power in the workplace and in the household (Seguino 2005). This is further documented by Berik, Rodgers and Zveglic (2006) who observed that increased engagement with international trade is likely to widen residual wage gender gaps with women appearing to weather the costs of employers' competitive cost-cutting efforts (Berik, Rodgers and Zveglic 2006). Furthermore, the OECD (date unspecified) has observed an 'abnormally high rate of domestic violence in cross-border marriages, many of which are arranged by international brokers'. Around 61,000 cases of domestic violence were reported between January and November of 2006, an increase of 9% from 2005 (OECD date unspecified). Commentators

have observed that while progress has been recorded in gender-sensitive legislation, budget allocations and staff to support networks that underpin effective law implementation remain under-resourced. To illustrate this point commentators have observed that central and local governments are often faced with understaffed social welfare departments to respond to domestic violence cases (Gao 2010).

An independent women's movement demanding the recognition of women's rights and gender equality agenda did not emerge until after the lifting of martial law in 1987 (Chang 2009). New strategies are emerging in the advent of democracy, with legislative lobbying becoming a central component of the women's movements strategy (Chang 2009). The discourse amongst these organisations has also become more diverse. Today there are more than 70 groups devoted to gender issues and women's rights (Gao 2010, Taiwan Women Web 1999).

2 Gender responsive budgeting (GRB)

In 2006 the Taiwanese government engaged in raising awareness on the potential of gender responsive budgeting (GRB). However, since then no information has been found of further progress of GRB in Taiwan.

The key instigator was the Foundation for Women's Right's Promotion and Development which is committed to influence the government on the adoption of gender mainstreaming in its policy processes and systems (see discussion above). The Foundation held a two-day workshop on 'Gender mainstreaming – Gender responsive budgeting' in October 2006. With the contribution of the Australian economist, Rhonda Sharp, this workshop focused on introducing the concept and outlining international approaches and experiences of the implementation of gender responsive budgeting, including mapping challenges ahead, discussing avenues to raise awareness, identifying strategies to build a welcoming environment for gender responsive budgeting and strategies to involve NGOs. This workshop was set out as part of a government-led plan to study the application of gender responsive budgeting in all levels of the Taiwanese government (communication with government official 26/09/2006).

Since then, the main form of recorded progress has been the collection and publishing of sex-disaggregated data including gender gap in wages, gender division of family roles and women's participation in the labour market (see Taiwan National Statistics 2008).

The interest in gender responsive budgeting emerged alongside the increasing strength of the women's movement (see discussion above) and reforms to Taiwan's public finance systems and processes.

Decisions on expenditure limits are based on the 4-year National Medium-Term Plan which also details policy priorities and resource allocations (Lee and Clark 2009). The budget allocations on education, science, and culture increased from 16.7% of the budget in 1998, to 20.2% in 2006 (Lee and Clark 2009: 21). Some commentators have noted that the total expenditure on health per capita in Taiwan is now approaching developed country levels (Centre for Disease Control 2002). According to Chang, Liu and Thompson (2002: 10) Taiwan has adopted a 'cautious approach to fiscal policy, establishing a tax base before spending'. Taiwan has a *Public Debt Act* which establishes that outstanding central government debt cannot exceed 40% of the average GNP of the previous three fiscal years (Lee 2010). According to the Asian Development Bank (2008) Taiwan's budgetary position is strong.

However the budgetary reforms fall short of major improvements in transparency and accountability consistent with gender responsive budgeting. In 2010 Taiwan ranked 33rd amongst 178 countries on the Corruption Perception Index, which measures the perceived levels of public sector corruption – albeit an improvement from 35th recorded

in 2007. The government however argues that this achievement is the result of vigorous push towards a clean government including several anti-corruption laws (Li, Tang and Hsu 2010, Transparency International 2010). The budgeting process in Taiwan remains highly centralised with local governments responsible for preparing their own budgets while holding limited financial autonomy. It has also been observed that the budget process is of short-term focus and a top-down process with little interaction between the different agencies involved in the budget process. The four stages of the budget process - preparation, review, execution, and audit – have been described as disconnected (Lee and Clark 2009). Lee and Clark (2009) discuss the tension between the reform agenda and the existing political process: '[d]espite the strong need for reform (...) the political realities of contemporary Taiwan make significant reform fairly unlikely' (Lee and Clark 2009: 22).

Commentators have noted that a range of data on the budget is made available by the government to citizens, while observing that familiarity with this data remains an issue for an effective engagement with the budget process (Oxford Analitica 2006). Furthermore, Lee and Clark (2009: 3) describe the national Legislative Yuan as powerless, with little capacity and interest to engage with the budget process. They argue that 'democratisation did not bring the expected improvement in the legislative budgeting process. Rather, in Taiwan's hyper-competitive political environment, legislators have focused on gaining publicity rather than professionalism'.

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