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GOVERNANCE STRUCTURE, ORGANISATIONAL REFORM AND ADMINISTRATIVE EFFICIENCY

Lessons from Taiwan

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The efficiency of government has long been one of the major concerns of public officers, entrepreneurs, non-government organisations (NGOs) and scholars of public administration. The public services that government provides to citizens – ranging from education, health care, transportation, affordable housing, to job opportunity and social security – involve substantial public expenditure. It is therefore reasonable for the general public to demand that the government is efficient and effective.

To improve government efficiency, scholars have attempted to analyse the parameters of public performance and examine the relationship between public expenditure and citizen satisfaction with government services (Hauner & Kyobe 2008; Morgeson 2014). Government reforms in different countries and regions have been carefully studied with regard to their similarities and differences (Pollitt & Bouckaert 2011; Christensen, Dong & Painter 2008; Meyer-Sahling & Yesilkagit 2011; Cepiku & Meneguzzo 2011). One of the issues that has not been thoroughly explored, however, is the relationship between governance structure and

administrative efficiency. The structure of government – namely, how government agencies and departments are organised to manage their functions – is critical to public sector performance. The attempts made by many countries to reform their organisations is a testament to the importance of finding the best governance structure to realise the mission of serving the people efficiently and cost-effectively.

This chapter explores the relationship between government structure and administrative efficiency by examining the case of organisational reform in Taiwan since 2008. It begins with a brief introduction to the structure of the Taiwanese Government and some background to the organisational reform that began in 2008. This is followed by a detailed analysis of the reform scheme and what has been accomplished so far. As the structure of government is still undergoing adjustment, it is only possible to evaluate its initial achievements and to identify the limitations it faces. The chapter provides this assessment and some lessons to be learned from the experience to date on the political and administrative sides. This is followed by some thoughts on factors beyond organisational reform that affect government efficiency and that deserve further investigation, including the influence on Taiwan of the constitution, regime and intergovernmental relations. The chapter concludes that Taiwan needs to consider constitutional change, not just organisational reform, if it is to achieve necessary efficiency in government administration.

Taiwan's governance structure and its problems

The central government of Taiwan is constructed according to the Constitution of the Republic of China (ROC), which follows its founding father Dr Sun Yat-sen's idea of a 'five-power constitution'. Instead of the more popular approach of 'three-power' checks and balances between the executive, the legislative and the judiciary, Dr Sun's constitutional framework consists of five branches of government power: the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan and Control Yuan.

The Executive Yuan is the highest administrative institution of the country. Its leader, the premier, is appointed by the president of ROC and is responsible for the planning and implementation of all public policy except national security policy, which falls within the jurisdiction

of the president. The premier nominates ministers and high-ranking political officers to the president for appointment. The premier and his or her ministers hold weekly meetings to discuss and decide the bills to be submitted to the legislature for deliberation, the major policies of the country, and the government budget necessary for their implementation.

The Legislative Yuan is the legislative body of Taiwan. As the only representative chamber in the unicameral system, the Legislative Yuan is generally regarded as the parliament of the country. Of the 113 seats in the Legislative Yuan, 73 are elected from single-member districts, 34 are elected based on the proportion of nationwide votes received by participating political parties, and six seats are reserved for the indigenous people of Taiwan.

The Judicial Yuan is the highest judiciary institution of Taiwan and comprises the president and vice-president of the Judicial Yuan and 15 Justices from the Council of Grand Justices. They are nominated and appointed by the president of ROC, with the consent of the Legislative Yuan. The Council of Grand Justices is responsible for the interpretation of the ROC Constitution and its laws.

The Examination Yuan is in charge of all national examinations and management of civil service personnel. In this capacity, it independently governs the qualification screening, protection, death benefits and retirement of civil servants. The Examination Yuan consists of a president, vice-president, two ministers and 19 council members, who are nominated and appointed by the president of ROC, with the consent of the Legislative Yuan. In effect, it protects the professional non-partisan civil service that, in other countries, lies within the executive arm of government, keeping it separate from politics.

The Control Yuan is an investigatory agency that monitors the other branches of government. It is composed of a president, vice-president and 29 council members, who are nominated and appointed by the president of ROC, with the consent of the Legislative Yuan. Council members can investigate and impeach high-level officers, including the president of the country. Its unique institutional design is based on the traditional Chinese Censorate. The Control Yuan is sometimes compared to the Court of Auditors of the European Union, the Government Accountability Office of the United States and the Australian National Audit Office, but it also encompasses other oversight (or ‘integrity’) functions, such as those performed in other countries by ombudsmen.

The president of ROC is the highest leader of the country. He or she not only selects the premier and ministers of the Executive Yuan, but also nominates all the presidents, vice-presidents, grand justices and council members of the Judicial Yuan, the Examination Yuan and the Control Yuan. The president is directly elected by the people through general elections, and is in charge of national security; that is, national defence, foreign affairs and cross-Taiwan Strait policy. Although the president does not chair cabinet meetings (which are convened by the premier), he or she is free to hold meetings with the premier and ministers. The president's decision on important matters of public policy is usually final.

When people talk about 'government' in Taiwan, they might refer to the five-branch government led by the president, or the executive branch only. Officially, the five yuans are parts of the central government, but the Legislative Yuan is not conventionally regarded as such. For the purpose of simplicity and consistency, the term 'government' is used to refer to the Executive Yuan in the rest of this chapter unless explained otherwise. Discussion of governance structure, organisational reform and administrative efficiency refers to what happens in the Executive Yuan because that is where the central administration is located.

Originally the ROC Government consisted of 10 institutions under the Executive Yuan, including eight ministries (such as Interior, Foreign Affairs, National Defence and Finance) and two commissions (Mongolian and Tibetan Affairs and Overseas Chinese Affairs). As time passed, more institutions were created to manage the new responsibilities commensurate with the country's socioeconomic development. By 2006, the number of institutions under the Executive Yuan reached a record high of 37, including eight ministries and 29 commissions or councils (Chu 2012; Hsiao 2012).

Most of the 37 institutions are **functional institutions** that provide specific public services to the people, such as the Interior, Foreign Affairs, National Defence, Finance, Education, Justice, Economic Affairs, Transportation, Health, Labor Affairs, Agriculture and Environmental Protection. Some other institutions are **supportive institutions** and support the Office of the Premier to monitor and coordinate the work of various ministries, such as the Central Personnel Administration; Commission for Research, Development and Evaluation; Council for Economic Development; Government Information Office; and Office for Budget, Accounting and Statistics. In addition to these two

categories, there are **independent institutions** that perform their duties independently and without political considerations, including the Central Bank, Central Election Commission, Fair Trade Commission, Financial Supervisory Commission and National Communication Commission. Fixed-term appointments guarantee the impartiality of the members of these independent institutions.

The increase in the number of institutions over the years is an example of the government's desire to respond to the emerging needs and expectations of the people. If an institution does not exist to meet a specific demand, the easiest response is to create a new institution to deal with it. The negative impact of organisational proliferation is, however, too obvious to neglect. The following shortcomings have been discussed repeatedly in the past decades (Yeh 2002; Shih 2005; Hsiao 2012).

1. **Size:** it is generally held that, to maintain effective communication and administration, an organisation should have fewer than 20 subordinate organisations. A central government with 37 ministries and councils is certainly beyond a reasonable span of control. It is difficult for the premier to communicate with all the ministers in an efficient way, let alone make quick decisions when emergencies occur. A higher transaction cost results from negotiation with more than one ministry.
2. **Confusion:** according to its original design, there is a clear distinction between the ministry and the commission or council in the Executive Yuan. The ministry is an agency responsible for a specific domain of public services, such as national defence, foreign affairs, economic development, finance, education, justice and transportation. The commission or council is an agency designed for cross-area negotiation and cooperation, such as the National Development Council or the National Science Council. Yet many newly established institutions do not follow this rule, which has confused the respective functions of ministries and commissions. For instance, in principle, a ministry should take care of labour affairs, but it has instead become the business of a council. The same is true for agriculture, cultural affairs and public health.
3. **Overlap:** as the number of public service institutions increase, it is inevitable that the function of one institution will overlap that of another from time to time. For example, the Council for Hakka Affairs regards itself as responsible for the promotion of

Hakka culture (such as music and dance). Yet the Council for Cultural Affairs also sees Hakka culture as part of the national culture within its remit. It is difficult, therefore, to apportion responsibility for those cultural activities that have some Hakka element but are not entirely Hakka. Overlap and conflict with regard to sport education and athlete training also occurs between the Ministry of Education and the Council for Sports Affairs, and between the Ministry of Economic Affairs and the Council for Youth with regard to the development of youth enterprise and youth employment.

4. **Lack of flexibility:** Taiwan's institutional framework is 'hard' rather than 'soft' because of strict regulations relating to the number, functions and personnel of the institutions. The Acts concerning those institutions can only be amended with the approval of the Legislative Yuan. Especially for tier-three agencies (namely, the subordinate institutions of the ministries and councils, such as the Immigration Agency of the Interior Ministry or the Customs Administration of the Finance Ministry), all the directors must be permanent civil servants and cannot be recruited from the civil society. The advantage of this system is a more stable and consistent public service. Its disadvantage is the lack of flexibility, innovation and responsiveness in administration. To alleviate the problem, the government may open some key positions to talented people who are not permanent civil servants, such as the director of the Tourism Bureau.
5. **Non-responsiveness:** the government is accountable to the people, and ministries should also be responsive to the demands of the times. In a fast-changing society and with the onset of globalisation, many new issues and challenges need to be addressed by the government so that the people can enjoy a secure and comfortable life. Salient concerns include environmental change, cross-border crime, the prevention of epidemics, cyber security, global terrorism, a low birth rate, an ageing society, and enhancement of new high-tech industries. These are issues that previous government agencies have not seriously addressed and they must be responded to with more effective reorganisation or restructuring of government.
6. **Inefficiency:** efficiency and effectiveness are always the top priority of government performance; however, this is difficult to achieve in a government with 37 tier-two institutions and more than 100 tier-three agencies. To be sure, size is only one reason for governmental inefficiency in Taiwan. The procedure to initiate, deliberate and

decide a public policy is as critical as the number of institutions or agencies that the policy involves. Decision-making procedures would be improved by simplifying the steps for policy innovation, and creating a more transparent administrative environment in which transaction costs are significantly reduced.

It is for these reasons that the demand for organisational reform is increasingly urgent. Streamlining government and making it more efficient and responsive to the expectations of the people is so widely agreed among politicians, bureaucrats, scholars and NGOs that, no matter which party is to lead the country, organisational reform is expected to occur quickly.

The scheme of the 2008 organisational reform

The earliest proposal for organisational reform was expressed in 1987, when the Executive Yuan set up an ad hoc committee to streamline the government. Progress was slow due to a lack of determination and opposition expressed from the institutions or agencies that were to be merged. Versions of the restructure have also changed over the years, reflecting the ideas of different administrations. The major achievement before 2008 was to pass the Basic Code Governing Central Administrative Agencies Organizations, which prescribed that the number of tier-two institutions should be limited to 22, including 13 ministries, four councils and five independent institutions. This code does not, however, specify what these ministries and councils should be. That difficult question needs to be solved in an amendment of the *Organizational Act of the Executive Yuan 2010*.

In 2008, with the inauguration of President Ma Ying-jeou, the process of organisational reform was reinvigorated. A new ad hoc committee was established in the Executive Yuan, chaired by the vice-premier. The Commission for Research, Development and Evaluation was in charge of the task of developing a new scheme and coordinating all 37 ministries and councils to complete the reorganisation. The scheme was announced publicly in 2009 with the stated mission to ‘create a streamlined, flexible and efficient government’. Echoing the demands from academia, the business sector and civil society, the major goals of the reorganisation were set out as (Jiang 2013; Song & Hu 2013; Hsiao 2012; Song & Hsieh 2009):

1. to reduce the number of ministries and councils from 37 to 29 by merging and restructuring
2. to clearly distinguish the respective nature of ministries, councils and independent agencies
3. to define the function of each ministry to avoid overlapping of business or oversight of government services
4. to strengthen the capability of the Executive Yuan by increasing the number of ministries without portfolio and restructuring the offices inside the Executive Yuan
5. to reduce the number of tier-three institutions from 100 to 70
6. to allow some tier-three institutions to have heads who are not permanent civil servants so as to introduce innovation and breakthrough to government activities
7. to restructure government agencies so that emerging challenges can be adequately addressed
8. to dramatically simplify administrative procedures and improve administrative efficiency
9. to control the total number of central government civil servants with quotas for various types of personnel
10. to create a new form of governance (the administrative corporation) that carries out specific public duties but has more flexibility in personnel and financial management
11. to make the policy decision-making process more transparent to the general public
12. to promote e-government so that the people will have easier access to government.

Details of how the major institutions were to be merged and restructured under the organisational reform are set out below and an overview of the organisations before and after the merging plan provides a rough idea as to what is happening under the organisational reform (See Table 4.1).

Table 4.1. List of institutions before and after the reform

Institution before the reform	Transition	Institution after the reform
Ministry of the Interior		Ministry of the Interior
Ministry of Foreign Affairs		Ministry of Foreign Affairs
Ministry of National Defense		Ministry of National Defense
Ministry of Finance		Ministry of Finance
Ministry of Education		Ministry of Education
Ministry of Justice		Ministry of Justice
Ministry of Economic Affairs		Ministry of Economic and Energy Affairs
Ministry of Transportation		Ministry of Transportation and Construction
Mongolian and Tibetan Affairs Commission	Merged into Council of Mainland Affairs	
Overseas Compatriot Affairs Commission		Overseas Chinese Affairs Council
Council for Cultural Affairs		Ministry of Culture
Council of Labor Affairs		Ministry of Labor
Veterans Affairs Commission		Veteran Affairs Council
National Youth Commission	Merged into Ministry of Education	
Atomic Energy Council	Merged into the Premier's Office	
Mainland Affairs Council		Mainland Affairs Council
National Science Council		Ministry of Science and Technology
Research, Development and Evaluation Commission	Merged into National Development Council	
Department of Health		Ministry of Health and Welfare
Environmental Protection Administration		Ministry of Environment and Nature Resources
Government Information Office	Merged into the Premier's Office	
Consumer Protection Commission	Merged into the Premier's Office	
Public Construction Commission	Merged into Ministry of Transportation and Construction	
Council of Agriculture		Ministry of Agriculture
Council for Economic Planning and Development		National Development Council
Council of Indigenous Peoples		Council of Indigenous Peoples

Institution before the reform	Transition	Institution after the reform
Council for Hakka Affairs		Council for Hakka Affairs
National Palace Museum		National Palace Museum
Sports Affairs Council	Merged into Ministry of Education	
Coast Guard Administration		Ocean Affairs Council
Central Bank		Central Bank
Financial Supervisory Commission		Financial Supervisory Commission
Directorate-General of Budget, Accounting and Statistics		Directorate-General of Budget, Accounting and Statistics
Central Personnel Administration		Directorate-General of Personnel Administration
Fair Trade Commission		Fair Trade Commission
Central Election Commission		Central Election Commission
National Communications Commission		National Communications Commission

Source. The author

While the scheme announced in 2009 has not yet been fully implemented, it remains the basis for the restructuring underway. Under the scheme, six new ministries were to be created. To enhance the government's capacity to protect the environment and to manage natural resources, the Environmental Protection Administration was to become the Ministry of Environment and Natural Resources. To integrate the capability to assist the least advantaged through social welfare and medicare, the Department of Health was to merge with the agencies of social welfare and become the Ministry of Health and Welfare. To promote cultural innovation and cultural industry, the Council for Cultural Affairs was to incorporate international cultural exchange and be upgraded as the Ministry of Culture. To show the government's determination to help workers and farmers, the Council of Labor Affairs and the Council of Agriculture would be expanded and transformed into the Ministry of Labor and the Ministry of Agriculture respectively. Finally, to facilitate the development of future industry, the National Science Council would become the Ministry of Science and Technology.

To streamline the government and reduce the problem of overlapping responsibilities, the following institutions would be merged with relevant ministries: Coast Guard Administration; Commission for Research, Development and Evaluation; Consumer Protection Commission;

Council for Atomic Energy; Government Information Office; Mongolian and Tibetan Affairs Commission; National Youth Commission; Public Construction Commission; and Sports Affairs Council. With the merger of nine institutions, and the creation of the Ocean Affairs Council, the total number of tier-two institutions would be reduced from 37 to 29.

All the other institutions of the Executive Yuan would remain more or less the same, although some would change their name to reflect a new mission following the incorporation of other institutions. For instance, the Ministry of Transportation would become the Ministry of Transportation and Construction because it has taken over the responsibilities of the former Public Construction Commission.

The organisational reforms involve a profound and comprehensive restructuring of the central government in Taiwan. As the legislature must amend more than 100 Acts, it was hard to estimate how much time it would take to complete the reform. The Commission for Research, Development and Evaluation hoped for the project to be completed by the end of 2011, but that proved wishful thinking. Until now, four of the new proposed ministries have been created, but another three are still struggling in the messy negotiation process of the Legislative Yuan. Among the nine institutions to be merged, six have disappeared, but three remain. With the coming to power of President Tsai Ing-wen in 2016, the momentum for organisational reform has declined because the new government is less enthusiastic about promoting administrative efficiency through institutional streamlining.

Assessment of organisational reform in Taiwan

Although organisational reform is not yet complete, it is possible to estimate the initial impact of the scheme by comparing the pre- and post-reform efficiency of the Taiwan Government.

According to the World Competitiveness Rankings published by the Institute for Management Development (IMD), Taiwan's performance improved dramatically after the organisational reform scheme was passed by the Legislative Yuan in 2010. Before the reform scheme was launched (2007), Taiwan was ranked 18th out of all the evaluated countries. It then jumped to 13th with the beginning of the reform (2009), but dropped to 23rd in 2009 because of the global financial crisis. Following the passage of the Organizational Act of the Executive Yuan, several new ministries

were created between 2010 and 2014, while others were merged. Taiwan's ranking rose to somewhere between 8th and 13th, which is a substantial upgrade compared with the previous years.

The World Competitiveness Rankings is composed of four major factors (economic performance, government efficiency, business efficiency and infrastructure). Government efficiency is most relevant here and Taiwan's ranking for this factor shows significant improvement since 2010, even better than its performance in world competitiveness as a whole. The same pattern appears when probing into the sub-factor of institutional framework, which may be directly related to organisational reform. Taiwan's performance reached a record high during 2010–13, but has gradually declined since, probably because the reform process was held up in the legislature (see Table 4.2 and Figure 4.1).

Table 4.2. Taiwan's performance in the IMD rankings

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
World competitiveness	18	13	23	8	6	7	11	13	11	14	14
Government efficiency	20	16	18	6	10	5	8	12	9	9	10
Institutional framework	29	23	20	14	13	15	16	20	19	16	15

Source. IMD (2007–17)

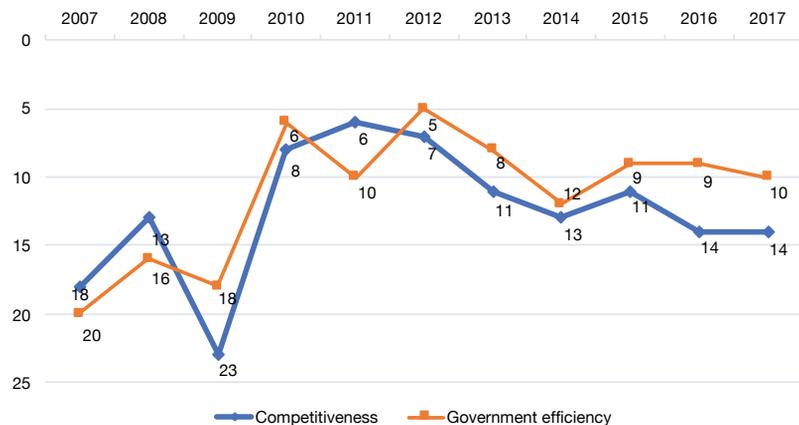


Figure 4.1. Taiwan's competitiveness and government efficiency in the IMF rankings

Source. IMD (2007–17)

The Global Competitiveness Report published by another international NGO, the World Economic Forum (WEF), reveals a similar pattern for Taiwan's performance during these years (see Table 4.3).

Table 4.3. Taiwan's performance in the WEF rankings

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Competitiveness	14	17	12	13	13	13	12	14	15	14	15

Source. WEF (2007–17)

These rankings make it clear that Taiwan's government efficiency significantly improved after the implementation of organisational reform, especially following the mergers and restructuring that were carried out in 2010–13. Some caution is warranted, however, about the correlation between organisational reform and government efficiency because the latter encompasses several indicators, and organisational streamlining is only one of them. A more systematic and thorough study is yet to be done.

In addition to this evidence suggesting the reform has contributed to improvements in Taiwan's government efficiency, there are other important lessons to be learned from Taiwan's organisational reform experience so far. These lessons reflect the reality and subtleties of a concrete reform that inevitably has positive and negative impacts. They are based on the author's observations and thoughts and draw on his practical experience in government as well as his current academic perspective.

To begin with, opposition from the institutions to be merged is always a major obstacle of organisational reform. Some institutions vehemently resist the change because they do not want to be incorporated into other institutions. Some institutions engage passively and reluctantly in the reform process and try to postpone the merger. A sense of dignity, institutional loyalty, memory of the past and anxiety about the uncertain future are all reasonable grounds for individuals to resist or hesitate. The leaders of these institutions may also publicly and privately lobby the legislature against the merger plan. Some compromises often need to be made in order for the project to proceed.

Second, the effect of institutional mergers is not always as positive as the proponents envisage. In some cases, the incorporating institutions do not appreciate the value of the incorporated agencies and, therefore, the integration turns out to be less organic than intended. Organisational dysfunction frequently results when two or three institutions merge but

do not really become one body. It takes time for them to find a way to work together. The vision and mentality of the leader of the enlarged institution is critical. If he or she can take the opportunity to set a new vision for all the agencies under his or her control, the ministry can create a brand-new image, owned by all parts of the organisation, and deliver a new message to the people as to what public service it provides. Otherwise, the merger may turn out to be no more than a reduction of institution numbers.

Third, the political cost of institutional merging is yet another price of organisational reform. The merged institutions have pre-existing 'constituencies' – service recipients and NGOs that need their subsidy or support. When the service is transferred to another institution, the constituency may well complain or even protest in the belief that their interests are under threat. For instance, athletes and sports associations are not happy about the incorporation of the Sports Affairs Council into the Ministry of Education because it means downgrading the former to a tier-three agency. Similarly, many consumers and consumer associations are reluctant to see that the Consumer Protection Commission will disappear, although another institution will continue to perform the function of consumer protection. When angry 'constituents' express their dissatisfaction and bitterness in elections, the current government pays a political price.

Fourth, a purpose of organisational reform is to introduce flexibility by prescribing that only the tier-one institution (the Executive Yuan) and tier-two institutions (ministries and councils) need to be enacted by the legislature. The organisational code for tier-three institutions (agency and bureau) would not need legislative amendment and this will allow the government to reform subordinate institutions more easily to cope with a changing social environment. The Legislative Yuan, however, does not agree and insists that the organisational Acts concerning all three levels of institution must be passed and amended by the legislature. As a result, there are still many bills held up in the legislature, and no hope that they will be passed soon. The legislature itself is one of the reasons for government inefficiency.

Fifth, the reform's mission to reduce the quota of government employees has resulted in many institutions finding it difficult to provide the quality public services that the people expect. One important feature of modern democracy is that people expect more from government, and that politicians promise more to voters. It is a dilemma for government

to provide more services with reduced manpower. Of course, solving this dilemma is at the centre of government efficiency – getting more things done more quickly with less cost. But there is a limitation to this golden rule. When the size of government is streamlined to an extent beyond reasonable capability, the necessary public services simply cannot be delivered.

Sixth, multiple institutional design is a good idea in itself because it can make the governance structure more flexible, creative and efficient. That is the reason why Taiwan has not only conventional ministries and agencies, but also independent institutions and administrative corporations. It is important, however, to use the most appropriate type of institution for the function involved. As independent institutions, the Central Election Commission and the Central Bank are good examples of impartial policymaking and implementation. The function of the National Communications Commission (NCC), however, fails many people's expectation. NCC is responsible for supervision of mass media competition and promotion of the communications industry. The weight that it places on scandal prevention in its regulatory role, unfortunately, makes NCC a nightmare for the telecommunication industry to approach in looking for support. A possible solution is to separate the two major functions of NCC so that another institution takes responsibility for industrial development.

Seventh, a government institution's autonomy is important in shouldering the responsibility of specific public service delivery or administrative regulation. Yet, in an age when most businesses are cross-boundary in nature (such as e-commerce, international worker immigration and climate change), inter-organisational negotiation and cooperation is even more important than institutional autonomy. The role of a minister without a portfolio has been created to mediate differences among institutions and make coordinated decisions involving cooperation across agencies to address complex issues on behalf of the premier, so that important public policy will not be too narrowly conceived or too favourable to any particular interest group. To have a more efficient and effective government, the task of inter-departmental negotiation is an essential responsibility requiring efficient processes.

Eighth, the job of streamlining administrative procedures is no less important than that of streamlining government. If procedures are hampered by unnecessary checks and balances, government becomes

a major source of private sector frustration and resentment. Especially when organisational restructuring is too difficult to be accomplished, the only way to help the government move forward is to revise and simplify administrative procedures.

There are many lessons to be learned from Taiwan's experience of organisational reform so far. The ones outlined above may be of relevance to any other government considering comprehensive reform. Although the background, motivation and problems to be solved will differ from one country to another, the underlying challenges and obstacles are likely similar, whether they be overlapping of government functions, proliferation of institutions, opposition expressed by merged organisations, or the political cost to be paid for a serious reform. If political practitioners and academics who envision government reform could pay attention to as much experience as possible from preceding cases, the chance of success would be greater.

Thoughts beyond the organisational reform

This chapter has focused on factors that are directly related to Taiwan's program of organisational reform that began in 2008. The enhancement of government efficiency, nevertheless, is not merely a question of institutional restructuring. Some broader institutional factors are no less important for the improvement of government efficiency. In this section, two specific elements are explored as having a profound impact on government performance in Taiwan: the constitutional framework and central–local relations.

Taiwan's constitutional framework establishes a semi-presidential political system. After election by the people via general election, the president is the leader of the country. The Executive Yuan, however, is led by the premier, who is appointed by the president and is not an elected politician. According to the ROC Constitution, ministers are selected by the premier, to whom they are responsible. The president has direct control only over the ministers of National Defense, Foreign Affairs and Mainland Affairs. The Executive Yuan is accountable to the Legislative Yuan and the premier and ministers must regularly answer questions from the legislature regarding policy and budget. A system in which the leader of the country

(the president) and the leader of the government (the premier) are two different people is also known as a 'dual-head' system (Elgie, Moestrup & Wu 2011; Wu 2016).

Semi-presidentialism differs from a parliamentary system in that its popularly elected head of state is more than a ceremonial figurehead. It differs from a presidential system in that the cabinet, which is led by the premier, is responsible to the legislature, which may force the cabinet to resign through a motion of no confidence. Many countries have adopted semi-presidentialism as their political system, including France, Russia, Portugal and Poland. The system's merits rest in the political stability achieved by protecting the fixed-term president from harsh criticism by the legislature or the people, and in the opportunity to change unwelcome policies by asking the premier (but not the president) to resign. The system's shortcoming is frequent confusion of accountability as to who (the president or the premier?) should take responsibility for policy failures. The possibility of government inefficiency also arises because the cabinet is accountable to the president (who unofficially decides the position of ministers) and the legislature at the same time (Shen & Wu 2017).

The disadvantage of semi-presidentialism is manifest in Taiwan where the problem of government inefficiency is increasingly evident. Government efficiency is not merely a matter of how public officers plan and execute policy quickly. It also relates to the formation and effective and transparent communication of policy between the executive and the legislature. Semi-presidentialism creates a complex network of responsibility for public officers. Ministers and high-level officers must have the support or endorsement of the president and the premier before announcing policies. When the opinions of the president and the premier differ, the officers must revise their plans to accommodate the two leaders, which can be an exhausting, frustrating and time-consuming process.

After the administration makes a decision, policy is further scrutinised and revised in the legislature. If the opinion of the legislature differs from the opinions of the president and the minister, negotiations begin again until a consensus can be reached among the three stakeholders. The quality of Taiwan's legislature, unfortunately, is very poor. It takes limited responsibility for its role in determining informed policy and efficient government. Rather than focus on the content of a bill or policy, it more

often seeks the attention of the mass media by presenting irrelevant and populist questions. In the past few decades the government budget has, without exception, been passed only after the budget year has long started.

Nor does the legislature follow its own rules and procedures, and endless negotiation replaces the rule of the majority. Numerous bills are blocked in subcommittees and the plenary committee year after year, as is exemplified by the delays in enacting the bills regarding organisational reform. Other important bills, such as those concerning food safety, epidemic prevention, assistance to the disabled or a free trade zone, have been victims of legislative dysfunction and inefficiency. Government efficiency is the task of the 'whole government', including the president and the legislature. To address efficiency without considering Taiwan's constitutional framework and its operation will never lead to the right answer.

The problem of the relationship between the central and the local government is another important aspect affecting government efficiency (Shen, Liu & Zeng 2016). To effectively implement policy, the central government must make reasonable decisions that are well executed at the local level. Cooperation between the central and the local government, therefore, is critical to the success of public policy. In the case of food safety, several scandals over recent years have involved tainted milk powder, toxic starch, plasticisers in prepared foods and adulterated cooking oil. These crises highlighted the shortcomings of the food safety management system, from manufacturing processes to product inspections. To cope with this problem, the Executive Yuan held a series of inter-departmental meetings between the Ministry of Health and Welfare, the Council of Agriculture, the Environmental Protection Administration, the Ministry of Economic Affairs, the Ministry of Justice, and several other agencies. As a consequence, the central government established a farm-to-table production traceability system to monitor agricultural products throughout their production, manufacture, distribution and sales. It also amended laws to prescribe heavier punishments and higher fines for violation of the regulations. Because the central government cannot reach every corner of the country, it is up to the local government (especially health and the police departments) to carry out the examinations and inspections.

It is difficult for the general public to appreciate which part of government work is done by the central government or the local government. Whenever a food scandal happens, people tend to criticise the central government when, in fact, it may be a failure of local government. It is pointless to argue who is to blame during a food safety crisis; people long for a safe and happy life. When a government cannot guarantee the safety of food or water, the responsibility of a particular tier of government is immaterial; it is the lack of efficiency or effectiveness that is readily apparent to the community.

Cooperation between central and local governments is essential to government efficiency. In a complex world, only multiple coordination and cooperation within the government, with some sharing of responsibilities but clear and distinct roles by the different players, can provide efficient and satisfactory public service. It is a lesson that we cannot learn from the limited perspective of organisational reform.

Conclusion

This chapter explores the overall governance structure of Taiwan (the Republic of China) and the scheme of organisational reform that was launched in 2008. Such a reform is necessary for Taiwan to improve its administrative efficiency, and some gains have been made, though not yet as many as proponents of reform had hoped. The reform process has been a valuable effort, even if the government has paid a high political cost. It is hard to imagine, however, how an oversized and increasingly ossified government can handle the pressing challenges of globalisation without adjusting its organisation and functions. The pity is that, with the inauguration of a new government in 2016, the incomplete reform process lost momentum and there seems little likelihood of progress in the near future.

Administrative efficiency requires more than organisational reform within the Executive Yuan. The constraint imposed by Taiwan's semi-presidential constitution, which requires the Executive Yuan to be accountable to both the president and the Legislative Yuan, must also be addressed. The relationship between politics and administration is always complex and it is difficult for ministers and senior officers to strike a subtle balance between loyalty to the leader of the country and the leader of the executive, to move the government forwards with due respect and accountability to

the legislature, to insist on the professionalism of the civil service and be open to the diversified demands and expectations of the general public, and to establish a productive partnership with local governments so that policy can be faithfully implemented. This can only be achieved in a complex political system with patience, skill and wisdom. The efficiency of a government is never only a matter of organisational restructuring.

In *The Origins of Political Order* (2011) and *Political Order and Political Decay* (2014), Francis Fukuyama contends that a stable modern political order is based on the three pillars of state capacity, rule of law and democratic accountability. State capability (or state building) concerns the capability of a government to manage public affairs with bureaucratic autonomy and administrative efficiency. Political accountability is best achieved when the government is held accountable to a democratically elected legislature that constitutes an effective check to the potential abuse of government power. Yet, as Fukuyama notes, tensions exist among these three elements. Too much democratic accountability may cripple government efficiency, such as the ‘vetocracy’ of contemporary US politics. Too much administrative discretion, for its part, can hurt the foundation of the rule of law, as is evident in the authoritarian rule of communist China. Rule of law can be a good balance to the arbitrary will of the majority, but ‘judicial activism’ may be as dangerous as a judiciary system, which is too susceptible to political will (Fukuyama 2014).

From the experience of organisational reform in Taiwan, institutional restructuring and administrative streamlining can help to improve government efficiency. Yet Taiwan’s constitutional framework of a ‘dual-head’ system with distorted relations between the executive and the legislature make the government less able to carry out policies in the interest of the people. If the regime type can be changed from semi-presidentialism to either presidential or parliamentary, the problem of ‘confusion of accountability’ and ‘inconsistency of power and responsibility’ could be significantly improved, which in turn should enhance administrative efficiency in Taiwan. In the same vein, if the relations between the executive and the legislative could be modified so that legislative scrutiny became more rational and constructive, it would also promote government efficiency. These remedies, however, require the amendment of the constitution and some fundamental changes in Taiwan’s political culture.

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