

# Globalisation, Democratisation and the Institutional Transformation of Taiwan's Welfare Regime

Jen-Der Lue

National Chung-Chen University, Taiwan  
E-mail: jlue@sw.ccu.edu.tw

---

*In the context of the discussion about the governance capacity of small states in the world market raised by Katzenstein, the case of East Asian newly industrialised countries is an interesting one. This article takes the development of social policy in Taiwan as a case study through which to explore the role of social policy in the process of rapid industrialisation in small states. It is argued that in the initial phase of industrialisation the productive component of social policy was highlighted by the developmental state to serve the goal of economic development. Social policy functioned at this stage as an effective instrument to dampen the cost of labour and thus contributed to the low-cost strategy of developmental state. Since the 1980s, however, social policy has been profoundly transformed as a consequence of economic globalisation on the one hand and domestic democratisation on the other. It is argued that social policy making since the 1990s in Taiwan has shifted in emphasis from the productive to the consumptive component. Finally, it is suggested that three factors will be decisive in determining Taiwan's social policy in the future: limited governmental revenues, fiscal strain due the public debt problem and the steering capacity of minority governments.*

**Keywords:** Productive Social Policy, globalisation, democratisation, welfare capitalism, Taiwan.

## Introduction: small states in the world economy

While it has commonly been asserted that globalisation exerts negative effects upon the welfare state, some scholars, most famously Katzenstein (1985), have argued that there exists a positive relation between the openness of an economy and the expansion of the public economy in small states. Katzenstein focuses his work especially on European small states, that is, those whose modest scale is insufficient to sustain prosperous economic development in isolation, making them quite dependent on the world market. However, this very dependence upon the world market also means that they are exposed to a highly fluctuating and complex environment that is beyond the control of the small states and makes them more vulnerable than big states. Consequently, small states have to develop mechanisms to cope with these complex situations, and Katzenstein found similarities among the small European states. In particular, that they have developed democratic corporatist institutional arrangements that can build consensus effectively across political parties and organised social powers, and that can enhance the problem-solving capacity of government. As Katzenstein (1985) indicates, strong political conflict is often too costly for small states. Building consensus has, it is argued, facilitated governmental revenues,

that form a high percentage of GDP, and institutionalised social security programmes. Katzenstein (1985) indicates that this phenomenon is tied to the way small states are particularly exposed to the highly open economic environment and is designed to cushion against risks outside of their control (cf. Cameron, 1978; Rodrik, 1997).

What do these theoretical considerations mean for the East Asian countries, especially the newly industrialising countries (NICs) that have been amongst the fastest-growing economies in the past three decades? By adopting export-oriented industrialisation (EOI), the tiger economies (Hong Kong, Singapore, South Korea and Taiwan) were successfully integrated into the world capitalist system to such a degree that some liberal economists have used the examples of the NICs to refute aspects of the small state thesis (Bhagwati, 1999: 230). Like their European small state counterparts, their limited domestic market is not sufficient to support economic development, and so their products were directed toward the world market. Although their trade openness exceeds that of the European small states, these NICs did not develop a corresponding institutionalised welfare system like their European small state counterparts: the percentage of GDP allocated to public budgets and social spending lag far behind European levels. Are the NICs an exception to Katzenstein's thesis, or do we need a revision of the small state model?

This article explores this issue through the case of Taiwan. Firstly, it will discuss the integration of Taiwan into the world market since 1960. Secondly, an overview of the welfare system in Taiwan is provided, along with a consideration of how the welfare system responded to the external pressures of globalisation. Finally, the article indicates the role of institutions in shaping social policy reform since 1990 in Taiwan.

### **The economic development of Taiwan: an historical sketch**

Prior to 1945, Taiwan had been colonised by Japan for fifty years as a strategic base to enlarge its influence in South-East Asia. This colonisation resulted in an unintended consequence: industrial production exceeded agricultural production in 1939 for the first time, and left an effective administrative apparatus for state mobilisation of economic resources. After Japanese colonisation ended, the ruling Kuomintang (KMT) initiated plans to develop light industry (shoes, clothes, garments) in 1958 (Amsden, 1985). Like its counterparts among the Asian tigers, Taiwan combined export-oriented and import-substitution strategies to promote economic development under the influence of national security concerns in the context of the Cold War. Taiwan benefited economically from the liberalisation of the international economy during the 1970s, with reforms pushed by the US in East Asia to prevent the spread of the Communism in the region. This change in the international economic environment was accompanied by the 'recycling' of Japan's low-value, labour-intensive industries to other low-wage and disciplined labour countries (Selden, 1997: 369), and Taiwan seized the opportunity to expand its EOI into areas vacated by Japan.

As many studies have indicated, industrialisation in Taiwan (and also South Korea) was marked by both massive exports of manufactures and by growing imports of intermediate goods and machinery. This model of economic development, shared by South Korea, was quite different to that of Japan. As Inoue (2001) points out, Japan had to develop an import-substitution strategy before the war because industrial production had been virtually monopolised by the advanced economies. In contrast, the NICs were facilitated with a favourable opportunity structure to initiate an export-oriented industrialisation

strategy because of a new labour division between South and North: the NICs became integrated into the world market and became the 'workshop' of the advanced economies during this era (Inoue, 2001). This stage could be thought of as the 'golden age' of Taiwan's development after the war, as rapid economic growth accompanied by full employment brought a huge increase in disposable income per household. Some scholars even argued at this stage that the development of Taiwan was a model of growth with equity (Fei *et al.*, 1979).

Although growth continued, Taiwan's traditional industries began to reach a turning point in the late 1970s as they faced intense pressure to move into high-value-added industries when labour-intensive industries such as garments, toys and shoes began to move to low-wage locations such as China and South-East Asia and the pollution record of traditional industries (cement, petrochemicals) came under attack. As a result, large traditional industrial groups such as steel, petrochemicals, cement and paper manufactures were forced to look for a way to diversify their product (Cheng, 1990; Haggard, 1990). Simultaneously, trade dependence on the US resulted in some loss of control over future strategy (Haggard, 1990). For example, the US pushed Taiwan to accelerate its pace of economic liberalisation from 1984 and so the average nominal tariff rate was greatly reduced from more than 30 per cent in 1984 to 11.6 per cent in 1988. The Plaza Accord in 1985 liberalised currency fluctuation with a great impact on the regional economy in East Asia (Haggard, 1990; Haggard and Kaufman, 2008). Together, rapid technological change, rising labour costs, the pressure of liberalisation and currency fluctuation created intense pressure that re-shaped the industrial structure of Taiwan (Huang, 2010; Tsai, 2010). The state issued a Six-Year Plan (1976 to 1981) that emphasised value-added components of products (Haggard, 1990: 142) triggering a change in direction. High-technology-intensive products as a proportion of total exports increased from 18.3 per cent in 1982 to 42.1 per cent in 1999, while labour-intensive products decreased from 47.2 per cent to 35.4 per cent (DGBAS, 2000). In terms of growth rates, the high-tech industry increased by 131 per cent from 1986 to 1993, with Taiwan an acknowledged world leader in the production of semiconductors, PC computers, digital cameras and scanners by the late 1990s (Wang, 2001).

Evaluated by some indicators, the economic performance of Taiwan was quite impressive over the latter part of the twentieth century. Economic growth rates averaged 9.14 per cent in the 1960s, 10.24 per cent in the 1970s, 8.14 per cent in the 1980s and 6.14 per cent in the 1990s (Wang, 2001: 7). By 2000, the level of exports was about 3.06 times higher than in 1986, and imports 4.76 times higher than 1986. Taiwan's share of world trade ranked in the top 15 in the world and trade openness was very high (Ministry of Finance, 2001), while Taiwan's gold and foreign exchange reserves were second only to those held by Japan.<sup>1</sup> In short, Taiwan had profited from integration into the world market in the latter part of the twentieth century.

### **Welfare in the authoritarian era**

How, then, did this fit with the development of welfare in Taiwan? While, by the mid-1990s social programmes in Taiwan had broadened to cover most of the population, particularly after the implementation of National Health Insurance (NHI) in 1995, the Taiwanese welfare system had evolved in a rather fragmented manner, with sporadic coverage for much of the preceding period. Indeed, fragmented structure was a key

characteristic. Before the implementation of NHI, for example, the public health insurance system was differentiated into fourteen sub-systems, covering just 52 per cent of the population. The old age security system was (and remains) highly segmented. In fact, Taiwan's welfare system under the authoritarian regime was at its core an *exclusive* system: the most socially vulnerable groups were not covered by the statutory welfare system. These systems were also complex and resulted in many problems, most notably serious inequalities between those who were included and those who were excluded from the social security system (Lue, 1999). This clearly reflected the choices of policy makers, who instead of offering a programme based on universal citizenship, targeted support towards the most economically productive segments of the population. In short, social policy was subordinated to the imperative of economic development, but still stood as complementary to economic policy (Holliday, 2000; Haggard and Kaufman, 2008). Deyo (1992) argues that this model operated effectively and contributed to the implementation of EOI for the East Asian NICs countries more generally.

This model of welfare was a product of the context of Taiwan in the latter half of the twentieth century. Defeated by the Communist Party in mainland China in 1949, the KMT under the leadership of Chiang Kai-Shek fled to Taiwan and established a military bureaucratic regime. As early as 1950, the first social insurance scheme, the Labour Insurance, was implemented in Taiwan. Considering the difficult political situation of the KMT after the failure of civil war with the communists, it is not surprising that social programmes were established quickly, acting in part as a political instrument to gather the loyalty of the people. From the 1960s, however, rapid economic growth changed the outlook of the KMT from a military bureaucracy into a development-oriented state apparatus (Amsden, 1985). To accomplish its EOI strategy, the state dampened labour costs and the welfare system was seen as disadvantageous to competitiveness in the world market. Consequently, little attention was paid to the development of the welfare system with the exception of provision that might boost the export strategy (for example, education). Gough (2000: 16) characterises this residual welfare system as 'productivist welfare capitalism', whereby 'social expenditures were small but relatively well targeted on basic education and health as part of a strategy of nation-building, legitimisation and productive investment'.

While the small states in Europe developed consensual democracy and, particularly, democratic corporatism to respond to the challenges of their small state economies (Katzenstein, 1985), most East Asian countries, facing the same problem of consensus-building and unitary action, instead took the route of building an authoritarian regime (Inoue, 2001: 7–9). Taiwan had an authoritarian one-party system until the mid-1980s, dominated by the KMT, and it enjoyed relative autonomy in pursuing the goal of rapid economic development. The state also controlled trade unions through state-corporatist institutional arrangements, with protest and political organisation prohibited under martial law in the name of preventing the spread of communism. The level of wages was regulated publicly to serve the goal of low labour costs. These measures, taken together, were regarded as providing favourable conditions to attract foreign investment: the supply of cheap and disciplined workers with appropriate skills. Such a model was maintained by the authoritarian regime, not just by force as some welfare programmes were designed to win the political support of the people and to keep the costs of labour down while protecting the subsistence of workers. In the long run, legitimisation of this strategy was based on the performance of the economy, rising living standards and thus, to a degree,

the reduction of poverty. Taiwan then entered a period of dual transformation: economic restructuring due to intensified globalisation pressures and democratisation triggered by the emergence of organised political oppositions (Tsai, 2001; Wong, 2004: 74; Haggard and Kaufman, 2008; Fields, 2012). Both forces created a new context for Taiwan's welfare system in the 1990s.

### **Welfare and the dynamics of democratisation**

The productivist welfare system signifies that social policy is subordinated to economic policy, and the degree of decommodification is comparatively low by international standards. Social policy is treated as an instrument for economic growth and capital accumulation because it improves the quality of human capital. Considering the key function of welfare in promoting political stability for the authoritarian regime, the target groups of state provision are normally narrowed to core workers in strategically key industries, public services and the military. This description fitted the Taiwanese case well, but following the process of democratisation in the late 1980s, the rules of the game changed. Whereas the political imperative under the authoritarian regime was for economic growth, the capacity for responding to the demands of the electorate became the focus under partisan competition. This offered an opportunity for welfare expansion. This process of welfare expansion might be expected to show the following characteristics. Firstly, welfare expenditures might be expected to increase in order to fulfil the welfare requirements of the electorate, normally middle-to-low income groups that were previously excluded from state welfare systems (Haggard and Kaufman, 2008). Secondly, an expansion of coverage to encompass the less advantaged groups, such as atypical workers and unskilled workers, might be expected. A question remains, however, as to what extent and in which way these less advantaged groups are to be included into the public welfare system.

The 1990s indeed saw the Taiwanese government institutionalise many welfare programmes and expand their coverage (Table 1). A rapid rise in welfare expenditure in 1995 resulted from the implementation of the NHI, the most important welfare policy for Taiwan in the 1990s. Table 1 shows that the social insurance system has been the preferred mechanism for provision, reinforcing the productive links of welfare by tying welfare rights to employment status. Where the welfare system is directed towards the disadvantaged, benefits have been mostly delivered in kind, and because of strict eligibility rules, those who are eligible to receive social assistance benefits account for only 1.35 per cent of the population in 2011 (Ministry of The Interior, 2012). The underdeveloped social assistance system has therefore been severely criticised by the public for its strictness and failure to offer a basic economic safety net for the poor (Sun, 2000). Indeed, despite the expansion of key welfare programmes in terms of personal income distribution, income inequality in Taiwan has risen in recent decades. The earnings ratio of the lowest 20 per cent to the highest 20 per cent of families (the D5/D1) has widened from 4.21 in 1981 to 6.12 in 2011 (DGBAS, 2012). To what extent this trend is related to globalisation demands further investigation, but that the existing social assistance system in Taiwan does not offer a basic protective function during rapid economic reconstruction seems less open to dispute.

Wong (2004) has suggested that the transition from authoritarian to democratic regimes in Taiwan and South Korea in the 1980s increased the capacity of civil society

Table 1 Central Government's Social Welfare Expenditure's Structure in Taiwan

Year	Growth rate	Total	Social Insurance	Social Assistance	Welfare Services	Employment	Health Care
1994	–	91,046 (100.0)	30,789 (33.8)	3,364 (3.7)	44,708 (49.1)	2,232 (2.5)	9,953 (10.9)
1995	47.7	134,464 (100.0)	66,194 (49.2)	9,533 (7.1)	48,354 (36.0)	2,053 (1.5)	8,330 (6.2)
1996	6.9	143,737 (100.0)	61,992 (43.1)	17,316 (12.1)	54,808 (38.1)	3,207 (2.2)	6,414 (4.5)
1997	4.4	150,020 (100.0)	62,484 (41.7)	15,532 (10.4)	62,773 (41.8)	3,636 (2.4)	5,594 (3.7)
1998	5.1	157,703 (100.0)	70,994 (45.0)	19,793 (12.5)	60,192 (38.2)	1,743 (1.1)	4,981 (3.2)
2000	5.8	369,109 (100.0)	196,883 (53.3)	19,264 (5.2)	129,922 (35.2)	2,572 (6.9)	20,467 (5.5)
2002	5.26	266,934 (100.0)	146,927 (55.0)	6,074 (2.3)	96,723 (36.2)	2,312 (0.9)	14,896 (5.6)
2004	6.19	285,603 (100.0)	150,470 (52.7)	7,519 (2.6)	112,194 (39.3)	2,067 (0.7)	13,351 (4.7)
2006	5.44	296,567 (100.0)	153,899 (51.9)	7,635 (2.6)	115,039 (38.8)	2,108 (0.7)	17,884 (6.0)
2008	0.73	297,498 (100.0)	135,736 (45.6)	7,690 (2.6)	130,412 (43.8)	1,789 (0.6)	21,869 (7.4)
2010	10.76	325,837 (100.0)	191,298 (58.7)	11,021 (3.4)	99,572 (30.6)	1,958 (0.6)	21,987 (6.7)
2012	1.32	327,180 (100.0)	195,630 (59.8)	10,276 (3.1)	98,693 (30.2)	1,789 (0.5)	20,790 (6.4)

Unit: Million NT\$, (%).

Source: Compiled from Directorate General of Budget, Accounting and Statistics, Budget of Central Government, various years, Taipei: Executive Yuan.

to mobilise support for the expansion of welfare policies, and Kwon (2003) similarly identified how civil society formed advocacy coalitions to influence the process of welfare policy making. However, these perspectives struggle to explain why the expansion of the Taiwanese welfare system has been accompanied by continuing gaps in provision, and in particular why health insurance has become universal while pension provision has remained fragmented and social assistance rudimentary. The sporadic nature of class mobilisation may be a factor here, and how strong the role of workers and trade unions has been in Taiwan's welfare system after democratisation is open to debate. While compared to other East Asian countries, such as South Korea, Singapore and Japan, the membership of trade unions in Taiwan is relatively high (Council of Labor Affairs, 2012), although the fragmented structure of the unions, divided into occupational and industrial labour unions, weakens their power as does the model of industrial relations in Taiwan that is characterised by industrial peace (Wang, 2001). While there have been notable gains in labour protection laws, such as a minimum wage, both the government and employers have used immigration policy to maintain downward pressure on wages, particularly in low wage sectors. In addition, Taiwan has experienced rising unemployment – while previously the unemployment rate was successfully kept below 2 per cent, since 2000 it has reached 4 per cent or even 5 per cent (Chen and Lue, 2012), not least because of rising economic competition from China which has weakened the position of the unions.

Indeed, while the expansion of social programmes and expenditures has moved Taiwan away from the narrow productive welfare model, the continuing rise of the suffering index (unemployment and inflation rate) has revealed weaknesses in Taiwan's social security system, and the residual social security system has proved ineffective in absorbing the risks arising from structural changes in the economy. How far these weaknesses will be addressed in the future remains to be seen.

### **Concluding remarks**

The social policy of East Asian countries has been traditionally oriented towards the formation of human capital and the maintenance of a qualified labour force in a productive social policy oriented towards enhancing the competitiveness of the national economy in the world market. This suggests an interesting tendency, whereby these countries seemingly take a different path for social policy compared to small states in Europe when they encounter the challenge of an increasingly globalised and highly unstable world market. Since the 1980s, however, social policy in Taiwan has been profoundly transformed as a consequence of economic globalisation on the one hand and domestic democratisation on the other. Since the 1990s, as expenditures have grown, social policy making in Taiwan has shifted emphasis from the productive model. How far this growth will continue, however, is likely to be contingent on three factors that will be decisive in determining the making of Taiwan's social policy in the future: limited governmental revenues, fiscal strain due to the debt problem and the steering capacity of the state in the context of minority governments.

Given the global recession, the government has limited financial resources with which to push the institutionalisation of social policy further forward. This is inter-related with a rising public debt issue. During the 1970s, the average Taiwanese government deficit was only 3.8 per cent of the governmental budget, but this reached an average of

18.9 per cent during the period 1991 to 1999. The government issued bonds or borrowings worth over \$22 billion to finance the *Six-Years State Construction Plan* under the Prime Minister Po-Tsan Ho between 1991 and 1997, which was almost five times the government bond issuance in 1990 (Lai, 1999: 145; 147–8). In other words, one-quarter of government spending was financed by borrowing. Due to the high level of borrowing, debt payments constituted 6.2 per cent of central governmental expenditure in 1990 and peaked at 38.9 per cent in 2012. This has narrowed the scope for the government to issue more bonds to initiate more infrastructure programmes necessary for economic development and furthermore to satisfy the welfare needs in the process of globalisation and economic adjustment. Although borrowing has declined since 1998 due to a series of austerity measures, the financial structure remains a serious issue. Considering the condition of the public finances it seems unlikely that the government will expand welfare expenditure in the foreseeable future.

Lastly, social policy development is likely to be influenced by the changed governing capacity of the state apparatus after the democratisation, even under the absence of consensus building, which is considered as a significant institutional mechanism in promoting welfare state development in the European small states by Katzenstein (1985). After democratisation, the political atmosphere between the DPP and the Pan-KMT has been confrontation-oriented, particularly since 2000. Compared to its European counterparts, the intermediated institutional mechanism between economic globalisation and social policy development is characterised by political competition between two dominant parties rather than consensus building. Political competition pushes social demands to the centre of the political agenda, forcing the two dominant parties to respond. As Katzenstein argued (1985), economic globalisation and welfare state development are not automatically interrelated, but are mediated by politics, although in Taiwan the intermediated institutional mechanism is different from European small states. And this difference may be a critical factor in explaining different welfare arrangements between East Asian and European small states.

## Note

1 As Chu argues, 'Taiwan has not been a member of the IMF or the World Bank since 1978 and could not count on an international rescue package during a currency crisis or on bilateral emergency loans from its security partner. With dwindling diplomatic recognition, official foreign reserves have become a benchmark measure of Taiwan's self-confidence' (Chu, 1999: 91).

## References

- Amsden, A. H. (1985) 'The state and Taiwan's economic development', in P. Evans, D. Rueschemeyer and T. Skocpol (eds.), *Bringing the State Back In*, Cambridge: Cambridge University Press, pp. 78–106.
- Bagawati, J. (1999) 'Globalization: who gains, who loses?', in H. Siebert (ed.), *Globalization and Labor*, Tuebingen: Mohr Siebeck, pp. 225–38.
- Cameron, D. R. (1978) 'The expansion of the public economy: a comparative analysis', *American Political Science Review*, 72, 4, 1243–61.
- Chen, Y.-F. and Lue, J.-D. (2012) 'Financial crisis and social protection reform in Taiwan: path dependence or path breaking?', *Social Policy and Social Work*, 16, 2, 191–246 (in Chinese).



- Cheng, T. J. (1990) 'Political regimes and developmental strategies: South Korea and Taiwan', in G. Gereffi and D. L. Wyman (eds.), *Manufacturing Miracles: Path of Industrialization in Latin America and East Asia*, Princeton, NJ: Princeton University Press, pp. 139–78.
- Chu, Y. H. (1999) 'Surviving the East Asian financial storm: the political foundation of Taiwan's economic resilience', in T. J. Pempel (ed.), *The Politics of the Asian Economic Crisis*, Ithaca, NY: Cornell University Press, pp. 184–202.
- Council of Labor Affairs (2012) *Labor Statistics Bulletin*, Taipei: Department of Labor Management Relations, Council for Labor Affairs.
- Deyo, F. (1992) 'The political economy of social policy formation: East Asia's newly industrializing countries', in R. Applebaum and J. Henderson (eds.), *States and Development in the Asia Pacific Rim*, London: Sage, pp. 289–306.
- Directorate-General of Budget, Accounting and Statistics (DGBAS) (2000) *Taiwan Statistical Yearbook 2000*, Taipei: DGBAS.
- DGBAS (2012) *Report on the Survey of Family Income and Expenditure*, Taipei: Executive Yuan.
- Fei, J. C. H., Ranis, G. and Kuo, S. W. Y. (1979) *Growth with Equality: The Taiwan Case*, New York: Oxford University Press.
- Fields, K. J. (2012) 'Not of a piece: developmental states, industrial policy, and evolving patterns of capitalism in Japan, Korea, and Taiwan', in A. Walter and X. Zhang (eds.), *East Asian Capitalism: Diversity, Continuity, and Change*, Oxford: Oxford University Press, pp. 46–67.
- Gough, I. (2000) *Globalization and Regional Welfare Regimes: The East-Asian Case – Global Social Policy Programme*, Bath: University of Bath, Institute for International Policy Analysis.
- Haggard, S. (1990) *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries*, Ithaca, NY: Cornell University Press.
- Haggard, S. and Kaufman, R. R. (2008) *Development, Democracy, and Welfare States: Latin America, East Asia, and East Europe*, New Jersey: Princeton University Press.
- Holliday, I. (2000) 'Productivist welfare capitalism: social policy in East Asia', *Political Studies*, 48, 4, 706–23.
- Huang, C. H. (2010) 'From opening the port to joining the WTO: the historical and structural transformation of contemporary capitalism in Taiwan', in J. L. Hwang, H. L. Wang and C. H. Huang (eds.), *Empire Edge: The Investigation of Taiwan's Modernity*, Taipei: Socio Publishing, pp. 167–70 (in Chinese).
- Inoue, Y. (2001) 'East Asian capitalism and regulation approach', *Conference of East Asian Development Models and Their Crisis: The Regulationist Approach*, Tunghai University, Taichung, Taiwan, pp. 19–20, April.
- Katzenstein, P. J. (1985) *Small States in World Markets: Industrial Policy in Europe*, Ithaca, NY, London: Cornell University Press.
- Kwon, H. (2003) 'Advocacy coalitions and the politics of welfare in Korea after the economic crisis', *Policy and Politics*, 31, 1, 69–83.
- Lai, C. C. (1999) 'Taiwan's fiscal problem, characteristics and the content of reform in the past ten years', in C. S. Yu and K. L. Sun (eds.), *Fiscal Balance and Fiscal Reform: Evaluation of Taiwan's Experience*, Taipei: Chun-Ha Institute for Economic Research, 109–65.
- Lue, J. D. (1999) 'Die Veraenderung der Staatsaufgaben: Die Organisationsreform der gesetzlichen Krankenversicherung in Taiwan als Beispiel (1988–1997)', unpublished Ph.D. thesis, University of Bielefeld.
- Ministry of Finance (2001) *The Export-Import Trade Statistical Monthly*, Taipei: Ministry of Finance.
- Ministry of the Interior (2012) *Monthly Statistics of Interior Affairs*, Taipei: Ministry of the Interior, <http://sowf.moi.gov.tw/stat/month/m3-01.xls>.
- Rodrik, D. (1997) *Has Globalization Gone too Far?*, Washington, DC: Institute for International Economics.
- Selden, M. (1997) 'China, Japan, and the regional political economy of East Asia, 1945–1995', in P. J. Katzenstein and T. Shiraiishi (eds.), *Network Power: Japan and Asia*, Ithaca, NY/London: Cornell University Press, pp. 306–40.

- Sun, C.-C. (2000) *The Study on the Implementation and Construction of Social Assistance System in Taiwan*, Taipei: Shihying (in Chinese).
- Tsai, M.-C. (2001) 'Dependency, the state and class in the neoliberal transition of Taiwan', *Third World Quarterly*, 22, 3, 359–79.
- Tsai, M.-C. (2010) 'Taiwan and the world: the history of linkage and connections', in J. L. Hwang, H. L. Wang and C. H. Huang (eds.), *Empire Edge: The Investigation of Taiwan's Modernity*, Taipei: Socio Publishing, pp. 63–100 (in Chinese).
- Wang, J.-H. (2001) 'Restructuring exportism: Taiwan's mode of growth in transition', *Conference of East Asian Development Models and Their Crisis: The Regulationist Approach*, Tunghai University, Taichung, Taiwan, pp. 19–20 April.
- Wong, J. (2004) *Healthy Democracies: Welfare Politics in Taiwan and South Korea*, Ithaca, NY: Cornell University Press.