When New Public Management Runs into Democratization: Taiwan’s Public Administration in Transition

CHING-PING TANG

This paper reviews the study of Taiwan politics in the field of public administration, focusing on the concurrence of two reforms: democratization and new public management (NPM). The most vehement criticism against NPM has been voiced by the advocates of substantial democracy. They believe that, by encouraging individuals to pursue maximized self-interest, this efficiency-oriented movement only serves to attenuate the moral dimensions of democratic life, leaving underdeveloped such values as social justice, equality, social solidarity, and public-spirited participation. Such an observation leads to the following intellectual curiosity: what would happen if one country were to go through both democratization and NPM simultaneously, as is the case with many countries today? In an attempt to answer this question and illustrate the dynamics between these two reforms, this paper examines Taiwan’s history of administrative development. The findings challenge the common understanding that these two reforms are mutually incompatible. The main argument is that there is in fact a synergic interaction between the reforms during their initial phase. Because the NPM reforms actually advocate certain core values also shared by liberal democracies, and because NPM measures help fulfill certain political functions for regime transition, the two reforms actually reinforce each other early on in the process. Nevertheless, as democratization proceeds, such advanced goals as improving the quality of civil society and promoting grass-roots deliberation with regard to a collective future begin to be emphasized on the reform agenda. NPM at this later stage is found to impose challenges to further democratization.

KEYWORDS: Taiwan; democratization; developmental state; public-private partnership; entrepreneurial-spirited governance; responsiveness.

CHING-PING TANG is Professor of Political Science and the Director of the Survey Research Center at National Chung-Cheng University, Taiwan. He can be reached at <polept@ccu.edu.tw>.

© Institute of International Relations, National Chengchi University, Taipei, Taiwan (ROC).
The discipline of public administration has two major intellectual origins, namely, political science and management science.\(^1\) When public administration scholars first declared their independence from the political science domain in the early twentieth century, they appealed to management science in their pursuit of rationality and efficiency. Nevertheless, when these scholars attempted to develop and apply principles of scientific management to the public sector, they were repeatedly confronted with the issue of politics, such as the seemingly ever-present request to make a powerful administrative system more accountable to, and controllable by, both its citizens and elected officers. The political ingredients of public administration have thus often drawn scholarly attention away from pure management science. The element of “publicness” associated with democratic polity in this discipline has actually been the niche that has enabled public administration scientists to characterize themselves by establishing an intellectual identity that is quite distinct from that of their colleagues in business schools. In other words, the development of this discipline has largely been driven by two intellectual demands. One stems from the political scientists who emphasize both the influence of political institutions on administrative systems and the value of democracy. The second arises from management scientists who, in their pursuit of ultimate efficiency, focus mainly on the potential of the administrative system. These two approaches have each taken turns in leading the different stages of development, in many ways like a pendulum that swings back and forth.

From this perspective, it is curious that the public administration literature has of yet not dealt with the collision of these two reform trends, democratization and new public management (NPM), that have prevailed over the past one and a half decades. NPM has swiftly spread across the world since the 1990s, bringing forth both economic liberalization and privatization in its wake;\(^2\) many countries, however, have still gone through prolonged periods of institutional democratic overhaul. Two


\(^2\) The implementation of NPM can be regarded as having taken place as early as the late 1970s in the United Kingdom, while New Zealand and Australia are the most substantial cases with mixed experiences of NPM practices since the 1980s. Many other countries have followed by adopting NPM reforms at either the national or local level. See Richard C. Box, Gary S. Marshall, B. J. Reed, and Christine M. Reed, “New Public Management and Substantive Democracy,” *Public Administration Review* 61, no. 5 (September/October 2001): 608-19.
distinct strands of reform have been expected to exert substantial impact on the public administrations of such countries. How they might interact with each other, however, has never been explored in detail. On the one hand, they share some elements both theoretical (such as liberal ideas) and practical (such as increasing responsiveness) in nature, and may thus as a result mutually reinforce each other’s development. On the other hand, they in fact follow quite different philosophical underpinnings, which thus makes the marriage of the two seemingly uneasy. Are they synergetic? Or, conversely, would their contradictory nature offset the effectiveness of their respective reform efforts?

Taiwan is an interesting case in point. For the past one and a half decades, public administration in Taiwan has ridden these two waves of reforms. Indeed, there have been continuous institutional overhauls and follow-up adjustments in the course of democratic transition. These changes have enabled Taiwan’s public administration to be more in tune with new political settings that require a higher degree of accountability. At the same time, however, Taiwan’s public administration is also under the strong influence of NPM zeal to pursue economic rationality through the adoption of flexible and entrepreneurial strategies. How will these two forces interact to shape Taiwan’s public administration? Has the current state of the discipline led to the accumulation of enough literature to offer a clue to this question?

To answer the above questions, I will first discuss the theoretical relationship between these two reform trends. There seem to be both congruent and conflicting ingredients in these two reforms, and this brief theoretical discussion will facilitate the understanding of Taiwan’s empirical conditions. In the second section, a narrative on Taiwan’s case, I will review the existing literature and make a fair evaluation of the state of public administration research in Taiwan. A delineation of Taiwan’s reforms in the area of public administration will enable us to better understand the concurrence of the new public administration movement and democratization in this increasingly advanced society—with such findings presented in the last section.

Theoretical Perspectives

A significant number of public administration scholars have become enamored by the popular topic of “new public management,” while very few have
been concerned with the democratization of public administration. This disparity is probably due to the constant need for public administration research to be applied to real-life practices. This tradition of focusing on issues of practical interest has directed most scholarly attention to more advanced administrative systems where new ideas of governing tools and modes are conceptualized, developed, and experimented with by being put into practice. New governing techniques—with such titles as outsourcing, contracting out, and privatization—have been “reinvented” to enable respective governments to adapt to the “new ecology” of public administration to govern societies that are now characterized by a rapidly-growing elderly population, advanced information technology, and the prevalence of a capitalist global economy. These features have created demands for social welfare services but have constrained the ability of governments to generate revenues, and thus have inevitably imposed a greater financial stress on the system.

More specifically, the growth of a society’s elderly population will undoubtedly increase the expenditure on pension liabilities and medical care. In addition, increased demands for social welfare services are also an economic consequence of the technological revolution. Breakthroughs in information and communications technology, together with financial market deregulation, will make financial capital more liquid and thus exert pressure on both business and government to keep real interest rates sufficiently high in order to attract and retain international investment. As a result, corporations will tend to downsize their work forces in order to meet the rising cost of doing business, while governments will have an incentive to lower taxes as they increase their public infrastructure in order to remain internationally competitive in terms of attracting investment. The development of technology also gives rise to a deflationary pressure owing to the improved capacity of production, which tends to lead to an oversupply of goods relative to worldwide demand, and thus keeps prices low. These trends have together imposed a greater financial burden on governments as they have sought to deal with the social

---


consequences of economic conditions, all while their ability to raise sufficient funds has been reduced.\textsuperscript{6}

The aforementioned trends in the administrative ecology of the industrial countries have given rise to different degrees of fiscal crisis. This has created a constant need to cut public expenditure and improve the efficiency of governance. Reforms proposed by the private sector, with their emphasis on goal setting and outcome measurement, have long been the major appeals of the managerial sector among public administration scholars; however, unlike its precedents PPB, MBO, ZBB,\textsuperscript{7} and TQM,\textsuperscript{8} NPM has been much more enduring and influential. Market-oriented innovations have quickly spread among most industrial countries, though they have done so under such different titles as neo-managerialism (new managerialism),\textsuperscript{9} new governance reforms (NGRs),\textsuperscript{10} and movements to “reinvent government.”\textsuperscript{11} Based on such mutually-reinforcing principles as downsizing, outsourcing, contracting out, and networking, many new governing modes and practices have been experimented with and further institutionalized. These tendencies have further encouraged the national government to decentralize, disperse, and fragment governing responsibilities to lower-level governments, front-line workers, networks of contractors, and nonprofit organizations.

\textbf{[Do you really mean to begin talking about Taiwan in this general theoretical section?] } Being on the verge of entering the developed world, Taiwan has faced quite similar governance challenges that have triggered great interest in the

\textsuperscript{6} Thomas L. Friedman, \textit{The Lexus and the Olive Tree} (New York: Farrar, Strauss & Giroux, 1999).

\textsuperscript{7} For a review of the development history of all these managerial tools, see Nicholas Henry, \textit{Public Administration and Public Affairs} (London: Prentice-Hall, 1999), 242-68.


\textsuperscript{10} See note 5 above.

adoption of NMP principles and strategies. On the demand side of governance, many social welfare programs have been requested and indeed introduced in recent years in order to cope with such socioeconomic problems as a rising unemployment rate, an increasing number of immigrants, and especially an aging population. On the supply side, however, government revenue has not increased commensurately to support such expansion in public services; this failure is largely a result of slower economic growth, economic liberalization, and tax cuts. As the budget deficit has emerged as a threat to national competitiveness and the problems associated with fiscal austerity continue to loom large, the governing techniques advocated by NPM seem to offer perfect solutions.

In contrast to the popular topic of NPM, the impact of democratization on public administration, an issue so essential to the developing world, has been less well-documented [in Taiwan or in general?]. Since the third wave of the democratization took place in the late 1980s, some scholars—mostly in the field of political science—have engaged in studying the causes and possible socioeconomic consequences of the transition. Nevertheless, seldom has there been any extensive exploration of the changes in bureaucratic attributes, the adjustments in the administrative apparatus, and the overall governing effectiveness of newly-introduced institutional arrangements.

How democratic reform has actually played out both within the administrative system and especially at the front line of government where the work is done, however, deserves more discussion. During the transition, non-democratic systems are facing the forceful imposition of many strong reform measures in a compressed time span. New institutions are being transplanted without historical or cultural foundations and thus have no fundamental connection with existing tiers of rules, norms, and values. New relationships between the governors and their constituents are being created, but the operation of governance needs to be smoothed out by building up consensus in terms of the respective roles of the two sides. The dominant role of the bureaucratic system in a previously authoritarian era is being

---


13 Ibid.
substantially curbed by the setting up of checks and balances to ensure the accountability and responsiveness of the new government. Under such a scenario, how bureaucracy might remain functional and how its capacity might evolve are the chief points of concern.

Democratization as an intended effort to restructure the governing framework is expected to change the capacity to govern in several respects. First, upon becoming a democracy, a state is subject to more and more objective constraints on its discretionary power. The bureaucratic apparatus is placed under the control of political leaders who might have had no previous experience with existing bureaucratic bodies. As a result, such procedural requirements as open information and public participation are added to the policymaking process, all under the scrutiny of the mass media. While coercion and violent forces have long been a guarantee of policy effectiveness in the authoritarian era, under the new institutional setting the public officers are also trained to retain the use of monopolized violence but only as a means of last resort. Second, democratization purposively introduces mechanisms that serve as checks and balances in the governing structure in order to ensure the horizontal accountability of administrative organs. These organs are therefore hedged in by competing agencies, knowledge centers, and such alternative contenders for power as legislative and judicial agencies.14 Third, multiple sources of authority and crystallized administrative procedures generate multiple access points for concerned interest groups to penetrate the policy process, exposing decision-makers to the influences of rent-seeking activities. To prevent possible deck-stacking endeavors by public officers, such institutional arrangements as sunshine laws will thus be introduced, which will therefore further constrain bureaucratic discretionary power.

Such a tendency to tighten controls over the once all-mighty bureaucratic system as the democratization process unfolds seems to run contrary to the advocacy of unbridled entrepreneurial spirit as the core value of the NPM movement. This contradiction has thus aroused a further point of inquiry: What if a country is undertaking these two reform agendas simultaneously? Can one country adopt many market-oriented governing mechanisms with an entrepreneurial spirit, yet at the same time introduce many democratic institutions to make the administrative body more

accountable to the elected officers, the citizens, and the genuine public interest?

Democratic Criticisms Leveled against NPM

Since democratization is defined as a continuing series of political and administrative reforms in the transition to a democratic polity, the relationship between democracy and NPM is thus a good starting point for this paper. A vast amount of literature has discussed the possible conflicts between democracy and NPM, mainly from a Western point of view. The conflicts between democratic development and the NPM movement can be best illustrated by the often-cited criticisms leveled against NPM. One of the most common complaints is that NPM has imposed a new set of values largely drawn from the private sector that would possibly subvert core virtues deeply rooted in any democratic polity. NPM originates from the managerialist ideology rooted in early classical organization theory, especially the work of Henri Fayol and Frederick Taylor [quote original work] in 1916, but supplemented by new political economy research (mainly on public choice theory, transaction cost economics, and agency theory) that has been founded upon new institutional economics. Ingrained in this newly-developed managerial approach is the predominant value of efficiency, with market mechanisms as the main tools, and entrepreneurial spirit as the attitudinal principle, for the pursuit of efficiency. This set of values is expected to be detrimental to democratic doctrines in several ways. First, in choosing specific governing tools or designing policy programs, the decision-makers will inevitably encounter tradeoffs among a combination of such goals and requirements as participation, deliberation, responsibility, procedural justice, fairness, equality (including equal opportunity),

15 There are different phases of democratization, including preparatory, decision, and habituation phases. See Dankwart A. Rustow, “Transitions to Democracy: Toward a Dynamic Model,” in Transition to Democracy, ed. Lisa Anderson (New York: Columbia University Press, 1999), 14-41.


stewardship, rights, and efficiency. With very limited resources available, administrators are obliged to decide the priority of these goals and objectives, and to compromise between them. These decisions will in turn determine how the government can justify its policy and how government performance can be measured. Although an emphasis on efficiency may enable the administrative system to spare more resources to accomplish other goals, its predominant status will force decision-makers to sacrifice other goals in a zero-sum fashion.

Second, from the perspective of the NPM advocates, the ultimate in efficiency means getting the most output (i.e., benefit) from the least input (i.e., cost). Following the utilitarian logic of economists, the highest output level should be measured in terms of the greatest satisfaction obtained by both the public service receivers and the public goods consumers. The NPM administrators therefore have to be responsive to individual customer’s needs in governing endeavors by applying customer-focused quality improvement systems through an inter-organizational web of co-producers that tailor public services to either individuals or small batches of clients.

Critics from the perspective of substantial democracy argue that NPM depreciates the public-spiritedness of “citizens” to the mere self-interest of individuals. The Madisonian republicans or communitarian supporters stress the possibility of citizens engaging in deliberation and commitment to their collective future, rather than being merely atomized, juxtaposed individuals constantly dedicated to meeting their own needs. This leads to a philosophical challenge in that the accumulation of numerous narrowly-defined self-interested individuals does not adequately approximate the public interest. While in one respect the public interest may be

---


defined in such an aggregate manner,\textsuperscript{24} certain other aspects of the public interest, especially those with more moral implications, should be taken into account. These areas include improving social relations (e.g., the assurance of trusteeship,\textsuperscript{25} the improvement of social solidarity, and the accumulation of social capital), or a commitment to common goals or shared visions by members of the community or society.

From an opposite point of view, some argue that responding faithfully to parochial clusters of public service users may unavoidably promote the formulation of particular interests engaging in rent-seeking activities and thus lead to deck-stacking on the part of the governors.\textsuperscript{26} Such disparity in terms of political efficacy might preclude the accessibility of some [*more needed] [*meaning unclear] but less active social groups, and thus lead to a concern of equal distribution of resources (especially to the minority),\textsuperscript{27} a condition Eriksen and Weigård refer to as “privatized democracy.”\textsuperscript{28} Accordingly, many political theorists emphasize the importance of deliberation or public discourse in the process, rather than as the mere result, of policy decision. Such emphasis on procedure is expected to substantiate the common good of Rawlsian justice that respects both the differences and equal worth that characterize each citizen in order to integrate individuals into a collective identity.\textsuperscript{29}

An emphasis on procedure rather than ultimate utility also helps to safeguard the fundamental value of democracy, namely, accountability. According to Christensen and Lægreid’s observation, NPM is “not a coherent and integrated theory but a series of partially contradictory prescriptions and as such does not present a clear idea of its role in a representative democracy.”\textsuperscript{30} The entrepreneurial spirit of

\textsuperscript{24} For example, in policy analysis there is an economic concept of “deadweight loss” which indicates a possible loss of public interest if governmental intervention reduces the summation of the consumer’s and supplier’s surplus. See David L. Weimer and Aidan R. Vining, \textit{Policy Analysis: Concepts and Practice} (Englewood Cliffs, N.J.: Prentice Hall, 1989).


\textsuperscript{26} Eva Sørensen, “Democratic Governance and the Changing Role of Users of Public Services,” \textit{Administrative Theory & Praxis} 22, no. 1 (2000): 24-44.


\textsuperscript{28} Cited in Sørensen, ibid., 26.

\textsuperscript{29} T. Nyseth and L. Torpe’s opinion cited in Sørensen, ibid., 26-27.

NMP requires that the public administrator be encouraged to adapt to different governing situations both strategically and innovatively, so that he can faithfully respond to service recipients’ requests in the most efficient manner. This principle, given that it extends greater managerial discretion at the operational level, frees the administrators from rules, hierarchy, and routines that have in the past been the primary tools used to hold the public officials accountable and predictable. This spirit will also reduce the overall control of elected political leaders, who are supposed to both be responsible for the results of governance and be subject to the periodical verdict of elections held by the constituents. These constituents, however, may not only be the users of the public services, but may include the widely-dispersed cost-bearers of many public policies and programs. How, then, would the elected politician be responsible and remain accountable in such a fragmented governing system? This question is still theoretically underdeveloped.

The Case:
Taiwan’s Administrative Development under Dual Influence

Each political administrative system is a complex ecology that integrates a variety of contingent factors such as belief systems, interest distribution structures, resource endowments, and the institutional as well as constitutional settings. All these factors have their historical origins and are expected to have an impact on the overall development of the system; intentional reforms, moreover, have also been conducted in a specific historical context. Therefore, to understand Taiwan’s public administration reforms, the best strategy is to trace them back to Taiwan’s history and legacy.

The Legacy of Strong Administration:
Restructuring for Survival

Taiwan has a long history of authoritarian rule, which naturally led to a tradition of strong administration. Yet, noticeably, this authoritarian administration also went through several waves of reforms and proved to be quite effective in its governance, at least in terms of promoting economic development. Ever since the Nationalist Party (Kuomintang 國民黨, hereafter KMT) retreated from the mainland and consolidated its rule over the island of Taiwan in 1949, President Chiang Kai-shek
(蔣介石) began to make adjustments to his administration in order to survive the harsh political and economic environment. Under the threat of the People’s Liberalization Army (PLA) on the mainland and the hostility of the local people on Taiwan, the first task of the KMT was to integrate the colonial administrative system into the Nationalist government that had theretofore been criticized as being notoriously greedy, sluggish, and then somewhat panic-stricken after its defeat at the hands of the Communists on the mainland.

Restructuring was deployed in many respects. Politically, the regime sought to maintain the constitutional structure established on the mainland in order to demonstrate its orthodoxy in terms of national sovereignty; this Taiwan-based government would stand in stark contrast to the rebellious Communist regime that was temporarily occupying some portions of Chinese territory. However, in order to secure the regime, the Nationalist government tightened its controls over the local people through both the implementation of martial law and active secret agency operations. Most constitutional rights were frozen in the name of “mobilizing against the Communist rebellion.” The KMT government also undertook several economic and financial reforms, including currency reforms and the famous landownership reforms of the early 1950s. While reforms like these also had political implications such as gaining the support of the vast peasantry, they proved to be essential in improving income equality throughout the subsequent era of rapid economic growth and were considered very helpful for both economic development and social stability.

31 There was a slang expression reflecting such hostility: “gou qu zhu lai” (狗去豬來, here comes the pig, although the dog is gone). For details of Taiwan’s era of white-terror and politico-economic development, see Masatake Wakabayashi, Taiwan: fenlei guojia yu minzuhua (Taiwan: a split nation and democratization) (Taipei: Yuedan, 1994). [*Explain who is “pig” and who is “dog”?]


34 There were obviously also political reasons for these landownership reforms. The KMT’s failure on the mainland was partly attributed to the poverty of and desire for change by the vast peasantry there, while the administrative system was too corrupt to improve their economic conditions. Regarding Taiwan’s agricultural landownership reforms, see Alice H. Amsden, “Taiwan’s Economic History,” Modern China 5, no. 3 (July 1979): 341-80.
Administratively, the reforms at this stage laid emphasis on maintaining effective control over the bureaucrats. Such efforts led to the construction of a semi-Leninist party-state system with nominal free elections at the local level. Partly because of U.S. pressure and partly because of the Nationalist government’s intention to maintain Taiwan’s reputation as the “Free China,” beginning in 1950 the regime allowed local jurisdictions to elect their own administrators (city mayors and county magistrates) and legislators. Nevertheless, the Nationalist government did not want to lose complete control over these local jurisdictions. As a compromise, the government implemented a centralized personnel system, the so-called “renshi yitiaobian zhi” (人事一條鞭制). This system emphasized the absolute power of the party leaders over the public servants at all levels of government. These included power over hiring, training, evaluation, promotion, and retirement. While public servants in functional departments were subject to party supervision through party representatives within the organization, key staffing departments (such as personnel management and accounting including budget and financing) and armed staff (such as policemen and firefighters) remained for a long time under the direct control of the central authority through this mechanism.  

Another major focus of the administrative reform at this stage involved the setting up of institutional channels for military staff to become public servants. Since a huge number of soldiers had withdrawn from the mainland together with the Nationalist government, it became critical to settle this massive surplus labor force. Calls to downsize Taiwan’s armed forces were made by Washington, who did not want U.S. aid to be used up merely feeding an oversized military. However, the failure to adequately look after the vast number of veterans had been regarded as a major cause of the KMT’s defeat on the mainland; this is because the veterans became unemployed after being sent home and thus had an incentive to join the Communist army simply out of the need to earn a living. Since these immigrant soldiers did not speak the local languages (Taiwanese or Hakka), they would surely have had difficulty surviving in the new environment posed by Taiwan, which would have given rise to serious social problems. Therefore, the government adopted a number of policies. The first was setting up a veteran service agency to help take care of this

problem. Second, by enabling these military personnel to become civil servants, state enterprise managers, and teachers, the government would not only be able to resolve such employment problems but would also fill the vacancies for governing positions at both the central and local levels.\(^{36}\)

Briefly, administrative restructuring during this initial stage was aimed at securing the KMT regime. The restructuring thus placed an overwhelming emphasis on political control, loyalty, and expediently solving problems at the cost, however, of professionalism, equal opportunities for entering the public service system, and merit-oriented performance evaluation,\(^{37}\) thus violating Max Weber’s ideal type of effective bureaucracy. It would have been surprising if such a bureaucratic system would have allowed this country to create the so-called “economic miracle” of the 1980s.

Administrative Reforms for Rapid Economic Development

There is a growing body of literature that argues that the state played an important role in leading Taiwan along the fast track of economic development. As an industrial late-comer, Taiwan confronted numerous disadvantages due to its economic backwardness in the global market; indeed, the island’s economy was plagued by technological deficiencies, inadequate public infrastructure, lack of capital, inadequate managerial skills for labor and natural resources, and an absence of international trade networks. Wise and effective government intervention to help businesses overcome each of these problems and disadvantages was thus considered to be necessary conditions for developing countries seeking to industrialize.\(^ {38}\) Following this line of argument, an effective administrative system seemed to be a critical requirement for successful economic development.

---


\(^{37}\) Chiang Ta-shu, Guojia fazhan yu wenguan zhengce (National development and civil servant policy: an analysis of Taiwan’s experience) (Taipei: Chingyi, 1997).

\(^{38}\) This is the so-called “state-led industrialization” model. Contending models have been proposed to explain the success of these East Asian countries in economic development, including analysis at super-national, national, and sub-national levels. For a succinct summary, see Edwin Winckler, “Contending Approaches to East Asian Development,” in Contending Approaches to the Political Economy of Taiwan, ed. Edwin Winckler and Susan Greenhalgh (New York: M.E. Sharpe, 1988), 20-40. For an elaborate discussion, see Robert Wade, Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization (Princeton, N.J.: Princeton University Press, 1990).
This concept of the “developmental state,” as referred to by Chalmers Johnson, pointed out the central role played by bureaucratic quality and the effectiveness of national economic (financial as well as industrial) policies in promoting economic growth. A handful of economic technocrats within the state apparatus needed to isolate themselves from external interest solicitation in order to draft national policy that promoted a broader range of public interest and over a longer time horizon.  

In other words, the “coexistence of authoritarianism and capitalism” made it possible for the administrators to depoliticize their economic decisions and to commit themselves to “market-conforming methods of intervention”; these mechanisms allowed the administrators to improve distributional equality and political stability, both of which are essential for deploying long-term developmental strategies. The corollary of such an argument is the impossibility of transforming a country’s economic and political system simultaneously.

Although the role of an authoritarian regime in promoting economic growth is still under debate, we can say with a fair degree of certainty that administrative systems play an essential role in governing the market. Such scholars as Evans,  

---

39 According to Daniel Okimoto, the Japanese government (specifically, the Ministry of International Trade and Industry, MITI) intervened in such matters as building consensus on long-term vision; setting sectoral priorities; allocating subsidies and facilitating financial flows; adjusting industrial structures; protecting infant industries; guiding investment in certain industries; regulating excess competition; reducing downside risk and diffusing costs; and promoting exports and mediating trade conflicts. See Daniel Okimoto, Between MITI and the Market: Japanese Industrial Policy for High Technology (Stanford, Calif.: Stanford University Press, 1989), 19. During Taiwan’s authoritarian era, any coalition of government officers and businessmen in the central bureaucracy was considered a taboo. For detailed examples, see Jenn-hwan Wang, Shei tongzhi Taiwan: zhuanxing zhong de guoji jiqi yu quanli jiegou (Who governs Taiwan? State machine and power structure of a nation in transition) (Taipei: Juli, 1996).

40 Lindbeck’s terms in Chalmers Johnson, MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-75 (Stanford, Calif.: Stanford University Press, 1982).


42 A fundamental challenge to such an explanation for rapid economic growth is the question: What made the authoritarian government faithfully serve the public interest by pushing economic growth rather than pursuing the politicians’ own self-interest? For a detailed discussion, see Theda Skocpol, “Bringing the State Back In: Strategies of Analysis in Current Research,” in Bringing the State Back In, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985), 3-28; and Mancur Olson, The Rise and Decline of Nations (New Haven: Yale University Press, 1982).

43 Juan J. Linz and Alfred C. Stepan, Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe (Baltimore: Johns Hopkins University Press,
Amsden, and Haggard and Kaufman agree that not only do the prowess and perspicacity of administrative technocrats matter, but the durability and effectiveness of the accompanying institutional settings are essential in order for the market to work.\textsuperscript{44} If such an explanation of Taiwan’s economic achievement is valid, then the question that needs to be asked is what happened to make the administration so favorably disposed to economic development.

Given the fact that the initial stage of administrative restructuring was mainly concerned with consolidating the authoritarian rule of the KMT government, we must specify how further reforms were implemented to transform the process into one of promoting growth. Indeed, the KMT administration constantly faced the legitimacy problem—i.e., the fact that a handful of mainlanders were holding administrative power, distributing national resources, and ruling a much larger population that did not speak the same language. Improving living conditions seemed to be a reasonable approach, and thus promoting economic development became a way of showing that the KMT was qualified to rule. Such a strategy would, moreover, encourage the people to strive for material well-being rather than for political rights.\textsuperscript{45}

Many economic policies were therefore implemented by technocrats, most of whom had been trained in the United States since the 1950s.\textsuperscript{46} However, the national leaders soon found that the country needed a more effective bureaucratic system in order to carry out its policies. Several waves of administrative reforms were thus


\textsuperscript{45} In order to solicit support from overseas Chinese, the KMT also applied other methods—such as claiming authentic inheritance from the “Free China” orthodoxy of Dr. Sun Yat-sen (the national father) and guarding traditional Chinese culture.

\textsuperscript{46} In addition to land ownership reforms, relevant economic and industrial policies included a low pricing policy for rice, the choosing of potential industries for special assistance, industrial park policies, export-led industrial policies, foreign exchange control policy, research and development support, and so forth. See Yu Tzong-shian and Wang Chin-li, Zhengfu zai jingji fazhan guocheng zhong de jiaose (The visible hand: the government’s role in the process of economic development) (Taipei: Linking Publishing Company, 2003); and Yun-han Chu, “State Structure and Economic Adjustment of the East Asian Newly-Industrializing Countries,” International Organization 43, no. 4 (Autumn 1989): 647-72. For the bureaucratic role in economic development from a comparative perspective, see Tun-jen Cheng, Stephan Haggard, and David Kang, “Institutions and Growth in Korea and Taiwan: The Bureaucracy,” Journal of Development Studies 34, no. 6 (August 1998): 87-111.
undertaken. As early as the 1950s and 1960s, President Chiang Kai-shek overhauled the administrative system as a precondition for receiving U.S. aid. The major reform efforts at this stage focused on establishing modern governance systems (such as civil servant, tax, and budget systems), facilitating cross-agency (i.e., horizontal) coordination in the central government, and tightening administrative controls to combat corruption. For example, a famous non-party personage, Wang Yun-wu (王雲五), was in 1958 appointed to chair the reform committee that reported directly to the President. During this reform process the committee [*referred to the Hoover Committee’s operation] [*meaning unclear] and cited its recommendations (to the U.S. government) as the model for reform. To introduce a modern budget system, the committee even hired American consultants to facilitate the transformation of the administrative system.

In the years that followed, Taiwan indeed experienced a period of rapid economic growth—the so-called “Asian economic miracle.” The KMT government found itself good at promoting economic development, given that its achievements in terms of improving income levels and living standards distinguished Taiwan from the other newly-industrializing countries (NICs). The KMT sought to maintain such achievements by introducing administrative reforms that were aimed at meeting subsequent political and economic challenges. International challenges such as the loss of the ROC’s United Nations membership in 1971, the termination of its formal relationship with the United States in 1979, and the two major oil crises of the 1970s—required the government to react quickly if stable economic development was to be maintained. In response, then Premier Chiang Ching-kuo (蔣經國) advocated two additional rounds of administrative reforms in 1972 and 1978. The first placed emphasis on anticorruption within governmental agencies and the second

---


50 In 1972 the Executive Yuan launched a campaign called the “Ten Administrative Innovation Directions” [add Chinese], which it asked the administrators to follow faithfully. In 1978 the Executive Yuan organized the “Supervisory Committee on Strengthening Public Service” [add Chinese]. For a precise description, see Chiang, Guojia fazhan yu wenguan zhengce, [add pages].
focused on streamlining administrative systems in order to better serve the public. Moreover, both were efficiency-oriented and sought to strengthen the integrity and capability of the government.

A quick review of the administrative reforms at this stage reveals the full-hearted intention of the authoritarian government to create a “modern” administrative system that could support the rapid pace of national economic development. Many institutions were installed and agencies set up to streamline government functions in a way quite similar to the scientific management movement in the United States during the first half of the twentieth century. These reforms indeed helped establish a quite capable administrative apparatus that assisted Taiwan in surviving the two oil crises of the 1970s and enabled the island to maintain a high rate of economic growth in subsequent years.

Emerging Challenges of Democratization

The emphasis on improving efficiency continued to be the main theme of the administrative reforms throughout the 1980s and 1990s. Nevertheless, democratization began to appear on the reform agenda in the 1980s under pressure created by the proliferation of turbulent social movements. That these social movements were allowed to mobilize without being met by an instantaneous governmental crackdown indicated not only a loosening of political control but also the rise of a more autonomous civil society which was seen to be a consequence of economic development. Long-repressed grass-roots forces—such as victims of pollution, farmers suffering from the government’s low pricing policy for rice, and dissatisfied veterans—broke through existing mobilization thresholds and

---

51 For example, the Central Personnel Administration (人事行政局) was set up as a cabinet-level agency assigned to take charge of personnel management in 1967. Under the efforts of this agency, such essential institutions as the “position classification” of public servants were introduced or amended during this period. See Chen Chin-kuei, “A Comparative Study of the Reforms of Bureaucratic Systems in the Republic of China, United States, and United Kingdom,” in Wenguan tizhi zhi bijiao yanjiu (A comparative study of bureaucratic systems), ed. Peng Ching-peng (Taipei: Academic Sinica, 1996), 1-42.

demonstrated vehemently on the street. The administrative system from this moment on began to be confronted with open civil disobedience and was forced to learn to respond to this new cacophony of social voices.

If the political liberalization of the early 1980s was the prelude to democratization, the democratic transition itself then took place in the mid-1980s when the KMT took such landmark steps as lifting mass media control in 1985, both tolerating the formation of the opposition party (the Democratic Progressive Party 民主進步黨, DPP) in 1986 and granting it legal status in the following year, and lifting martial law in 1987. 53 Electoral competition increased dramatically when congressional seats (including those in the National Assembly 國民大會 and the Legislative Yuan 立法院) were opened entirely for re-election in 1991 and 1992, at which point the opposition party was able to win a critical number of seats, allowing it to sabotage the ruling party’s decisions. 54 After several rounds of constitutional reforms, direct election of the President was finally held in 1996, which offered a clear path for the opposition party to take over the helm of government.55

Democratization is a prolonged institutional adjustment that ensures that some basic democratic values and practices will be maintained; thus, there is a period of consolidation which follows the transition to democracy. The 1990s witnessed a series of reform efforts to change the authoritarian administration into a democratic polity, making government policy more accountable and responsive to the public. Various sunshine laws were enacted, such as the Act of Asset Disclosure by Public Functionaries (公職人員財產申報法, 1993) and the Governmental Procurement Act (政府採購法, 1998), which were introduced to dispel the undue influence of private interests on public officials. Similar efforts resulted in the revision of a variety of laws. The most prominent example was the revision of the Public Service Act which now stipulated that public officials would not be allowed to engage in

---

53 For a detailed discussion of possible reasons why the KMT conducted these democratic reforms, see Linda Chao and Ramon H. Myers, The First Chinese Democracy: Political Life in the Republic of China on Taiwan (Baltimore: Johns Hopkins University Press, 1998).


related private businesses after leaving their official positions. Some less noticed governmental reforms sought to prevent human rights infringements and encourage civil participation in the policymaking arena. A case in point was the abolition of the notorious Article 100 of the Criminal Code, which had allowed the government to arbitrarily prosecute political disobedience related to the “spreading or advocating of rebellious opinions.”

Other reform measures, such as the passing of the Administrative Procedures Act [add Chinese] and the Environmental Impact Assessment Act [add Chinese], required the government to consult public opinion by holding public hearings before essential official decisions could be made. Many other special rules were also added to different acts and codes in order to ensure the responsiveness of discretionary bureaucratic decisions. One critical example can be found in the Public Nuisances Prevention Act [add Chinese], which speculated that officials had to reply formally and promptly to citizens who filed complaints through any channel or in any form (e.g., via telephone calls, letters, or e-mails). All these requirements came into being rather suddenly, and inevitably imposed profound constraints on the discretionary powers exercised by public officials.56

All of these changes have empirical implications for the administrative system. The first relates to the horizontal and vertical diffusion of discretionary power held by administrators. Democratization has led to the de facto horizontal and vertical decentralization of state power. According to Przeworski, democratic institutions are designed to counteract the increasing returns from power by means of various mechanisms, and to promise losers a fair chance of winning the next political struggle.57 In addition to providing free elections and equal representation, democratic reforms also reduce the dominance of the executive power by decentralizing authority both to other branches (especially the legislative and judicial branches) and to lower levels of government. Following a series of congressional


reforms that began in the late 1980s, the Legislative Yuan was no longer merely a rubber stamp of the Executive Yuan (行政院). Instead, the legislature became a real policy arena open to a much wider variety of interests, of which bureaucracy was only one.

Such impacts on the administrative system as the withdrawal of legislative delegation and the increasing hostility of the legislative branch were further exacerbated when divided government first appeared after the DPP won the presidential election but remained a minority party in the Legislative Yuan.\(^{58}\) The issue of horizontal accountability thus still needed to be addressed.\(^{59}\)

Similarly, the judicial branch also gained a share of administrative power following democratization. A very conservative judiciary remained largely intact in the wake of both the social movements and the trends toward democratization of the first few years. Once democratic institutions had by and large been installed by the mid-1990s, the spotlight shifted to the dysfunction of a system that could hardly balance the overwhelming power of the bureaucracy. The ongoing judicial reforms in recent years have therefore been intended to revitalize the role of this branch in public affairs. The involvement of judges in public policy debates via the judicial review process is still unusual in Taiwan; as judicial reforms are successively introduced, however, the court is gradually becoming an available channel through which citizens can challenge unsound administrative decisions.\(^{60}\)

Vertically, there has been a trend of empowering lower-level governments that has followed the democratic principle of subsidiarity.\(^{61}\) Although free elections


\(^{60}\) For example, the institution of suits brought by citizens was introduced in the newest version of the Air Pollution Act which allowed citizens to press charges over the delinquent actions of government officials. For a detailed discussion of their feasibility in Taiwan, see Yeh Jiunn-rong, “Public Participation in Environmental Regulation Enforcement: On the Feasibility of Introducing Citizen Suits [*from the U.S. Environmental Regulation] [meaning unclear],” \textit{Jingshe fazhi luncong} (Socioeconomic Law and Institution Review) 4 (1989): 67-93.

\(^{61}\) Regarding this principle, see J. Golub, “Sovereignty and Subsidiarity in EU Environmental Policy,”
were introduced soon after the KMT settled in Taiwan, the KMT was still able to control local governments both through the centralized personnel system referred to above and through the centralized distribution of tax revenue, the so-called “tongchou fenpei shuikuan” (統籌分配稅款, centralized distributional taxes). After several revisions following its enactment in 1994, the “Local Self-governance Act” (地方自治法) revoked some of these powers, resulting in the formation of a shared governance system that made the relationship between central and local governments in essence less hierarchical but more cooperative.

One very special development in relation to the vertical empowerment that has occurred in Taiwan’s administrative democratization has been the growing role of the local community in governance. The term “community” in Taiwan refers to either the basic governmental units (i.e., the ward or 里) or voluntary organizations, the so-called associations for community development (社區發展協會). With more and more successful instances of the community improving the residents’ well-being, protecting the environment, or promoting participation and public spiritedness, the political potential of the community has attracted an increasing level of scholarly attention in Taiwan.

The newly-developed relationship between the different levels of government has constituted another great challenge for public administrators in Taiwan. While coordination has to be negotiated on a voluntary basis in a shared governance

---


structure, a multiple-constituencies system usually drives each level of government to represent the interests of its respective constituents, and in many cases turns the fiercely competing interests into a zero-sum game. Nevertheless, the failure to cope with the problems posed by the incentives faced by different levels of government leaves them with many veto points that can be used to sabotage administrative endeavors. In other words, politics thus inevitably intervenes in the operation of the administrative system, which in turn requires a further fine-tuning of the intergovernmental relationship. Although such problems have emerged in recent years, there seems to have been very limited discussion of these issues in the literature.

Another important implication of democratization for public administration in Taiwan has been the introduction of new administrative ethics. The emphasis on efficiency inherited from the authoritarian era certainly did not change too much. However, competing values—such as civil participation, accountability, responsiveness, procedural justice, and social justice—have had greater influence, as manifested in public discourses, in their being embedded in new governing institutions, and in declarations made by public officials in justification of administrative decisions. Of these new ethical requirements, the principle of “responsiveness” has been advocated openly and vigorously for several reasons.

Being responsive to constituents’ demands in order to gain their support in elections is a common concern of politicians in a democratic polity. Yet improving responsiveness has different levels of meaning in the context of democratization, where grass-roots complaints may be expressed through a variety of channels—including such extra-legal means as street protests. *Street-level bureaucrats [*in this a proper term?] might not be very beholden to the electorate, but they do care about the additional administrative costs and personal responsibility that occur when they must deal with street protests, media exposure, and civilian-instigated law suits. Therefore, the street bureaucrats are willing to cast off the patriarchal mentality left over from the authoritarian era and instead to comply with citizens’ requests in order to avoid trouble. Empirically, scholars of public

---


administration in Taiwan began to pay attention to this new administrative issue in their research on various highly contentious policymaking issues, including “not-in-my-back-yard” (NIMBY) issues that sprung up with democratization. How to respond to the requests of parochial interests as policy cost bearers, while at the same time remaining accountable to the public interest as expressed by a broad diffusion of policy beneficiaries, remains a formidable challenge to these newly-democratized administrators.

Another core value that democratization has imposed on the administrative system is civil participation. Democratic reforms are intended to open up the isolated administrative system in order both to satisfy the interests of a wider array of stakeholders and to facilitate sounder discourse on public policies. To pursue such goals, many participation mechanisms (such as public opinion surveys, public hearings, and referenda) have been implanted into the governing system, while many other auxiliary arrangements (such as sunshine acts, citizen suits, and freedom of information acts) have all been drafted, enacted, or substantially revised in order to encourage civil engagement in public affairs. How these democratic institutions have impacted the administrative process and policy performance has also attracted scholarly attention in recent years. One may wonder, for example, how rent-seeking activities can be properly controlled, or under what conditions the deck-stacking behavior of the bureaucrats can be curbed.

In addition to the implications for policy formation, public participation also has an important impact on both policy implementation and the provision of public

---


68 For example, see the Research, Development, and Evaluation Commission’s discussion of regulating lobbying activities in Jianli youshui huodong guanli zhidu zhidu zhi yanjiu (A study on building up institutions for managing lobbying activities) (Taipei: RDEC, 1993).

69 For example, see note 60 above.

goods and services. According to Ostrom, the engagement of public service users in co-producing public goods will have a synergistic effect if the public and private sectors have complementary advantages in producing that specific public good.\textsuperscript{71} Both public service users and public goods consumers will also enhance their satisfaction if they actively provide local knowledge or clarify their preferences in order to allow service providers to make timely adjustments. Empirical research of this kind has been undertaken in Taiwan in recent years, though the findings are still very preliminary.\textsuperscript{72}

The Ongoing Agenda of NPM and its Dynamic Interaction with Democratization

Taiwan’s political liberalization in the 1980s was followed by economic liberalization and deregulation in the 1990s. Under great international pressure, especially from the General Agreement on Tariffs and Trade (GATT, now the World Trade Organization [WTO]), the Taiwanese government began to reduce the protection it had provided to many industries and sectors such as petroleum, electric power, fertilizer, motor transportation, banking, insurance, and telecommunications by both lowering import taxes and lifting barriers to entry. Since most of these industries and sectors had long been monopolized by the state, province, or party-owned enterprises, opening up the market subjected these well-protected enterprises to fierce market competition. Most of these monopolies were so inefficient that they needed huge government subsidies to survive. The government thus naturally sought to cast off these huge financial burdens by privatizing the money-losing enterprises.\textsuperscript{73} Given that both the process of reinventing government

\footnotesize


\textsuperscript{73} Chou Tein-chen, Taiwan minyinghua de jingyan (Taiwan’s experiences in privatization) (Taipei: Zhonghua zhengxinshe, 1999); and Chang Chin-fen, Taiwan gongying shiye minyinghua: jingji misi de pipan (The privatization of state-owned enterprises in Taiwan: a critique of the economic myth) (Taipei: Institute of Sociology, Academia Sinica, 2001).
and the NPM movement were becoming increasingly popular in Western countries, the Taiwanese government found no difficulties in gaining the robust support of academia for the implementation of such ideas. As part of the effort to downsize the bureaucracy and streamline administrative operations, the government continued to apply such techniques as contracting out and outsourcing in order to reduce its financial burdens.\textsuperscript{74} Such public services as hospitals, garbage incinerators, high-speed railroads, and even university dormitories have been jointly provided by private business and the government via a wide variety of cooperative models.

The political leaders have clearly sought to advocate such Western-style reforms regardless of the idiosyncratic needs of the administrative system. The government agencies in charge of the redesign and reform of governmental structure (mainly the Research, Development, and Evaluation Commission of the Executive Yuan, 行政院研考會) funded a massive amount of research under the rubric of “reinventing government” (政府再造, zhengfu zaizao) or “innovating administration” (行政革新, xingzheng gexin), thereby fermenting scholarly engagement in these subjects. In the meantime, different levels of administrative practitioners also passionately applied a variety of new governing techniques advocated by the NPM movement. Therefore, the 1990s witnessed the fad of the contracting out of social welfare services, and of engaging the private and non-profit sectors in the joint production/provision of public goods/services.\textsuperscript{75} Regulations were revised and government agencies restructured in order to make the government more flexible while following the NPM approach.

\textbf{Discussion}

It is interesting to observe that the democratic reforms seemed to work quite well together with the NPM movement in the 1990s. There is political logic for such a synergetic development. First, the political liberalization that took place in the

\textsuperscript{74} Examples of such measures include the build-operate-transfer (BOT) or build-operate-own (BOO) mechanisms.

1980s generated [the legitimacy problem of economic control and thus economic liberalization associated with NPM would follow naturally] [meaning unclear]. Note that the monopoly status of many lucrative businesses held by the ruling party, state-owned enterprises, and friendly business elites was considered to be an essential tool by which the authoritarian government could reward its political supporters with economic rents and maintain its patron-client networks. Thus, the economic reforms that did away with the privileges of running specific businesses, or even privatized the ownership, were also considered to be an integral part of the democratic reform.

Second, as elections became more competitive following the formation of an opposition party, the politicians stepped up their provision of such social welfare services as pensions for elder citizens and allowances for elder farmers, moves which led to increased financial pressure. Given that these new policies allow the government both to generate extra revenues (for example, by selling the stocks of state-owned enterprises through privatization) and to save expenditures (by such outsourcing contracts as BOO or BOT), NPM thus became a convenient way to deal with the government’s fiscal predicament.

Third, when an administrative system becomes more open in the course of democratization, it becomes more vulnerable to fierce competition brought on by rent-seeking activities. In contrast to the authoritarian era in which the developmental state had more authority in distributing governmental resources to favored supporters in the private sector, the newly democratized administrative system has to learn how to manage the pressure wrought by rent-seeking competition and to set up institutions to control its effects. Certain NPM measures seem to offer more public resources and official channels to release such pressure. Furthermore, as elections become increasingly competitive after democratization, such NPM mechanisms as public infrastructure-related BOT or BOO projects further become rewards that the new government can distribute to political supporters.

In addition to the above practical reasons that explain the coexistence of democratization and NPM, the conceptual congruence between these two reforms is

---

76 For detailed cases and the actual operations of the clientele system, see Wang, Shei tongzhi Taiwan; and Chen Dung-sheng, Jinquan chengshi: difang paixi, caituan yu TaiBei duhui fazhan de shehuixue fenxi (The city of money politics: a sociological analysis of local factions, financial tycoons, and Taipei’s urban development) (Taipei: Juliu, 1995).
also a likely factor. At least during the earlier stages of democratic consolidation, the NPM movement was helpful in enforcing certain democratic values. Being only newly transformed from an authoritarian regime, the political system first needed to emphasize the protection of individual rights, to encourage civil participation, and to foster civil society. The prevalence of NPM met all these needs. The “customer” metaphor of NPM appears to be congruent with the concept of liberal democracy in several ways. First, the NPM model was built upon the important premise of respecting and protecting the individual’s equal rights of access to goods and services (though not an equal ability to gain such access). Such a respect for individual rights is also part of the foundation of democracy.

Second, NPM encouraged public service users to participate in deciding the amount, type, and quality of services via a variety of total quality management and public opinion survey techniques. During its later stages, NPM reform further encouraged the service users and volunteer groups to provide the services and goods themselves in order to better meet their own needs and thus enhance user satisfaction. Such an active dynamic between users and providers is expected to boost the spirit of civil participation in public policymaking and the co-production of public goods and services. The growing popularity in recent years of voluntary community security patrols might be an example of this.

Third, the emphasis on the bottom-up power of customers is expected to encourage citizens to organize themselves in order to better influence the government, thereby contributing to the cultivation of an autonomous civil society so necessary for pluralistic democracy. Finally, the application of a competitive mechanism in the provision of public services will empower the service users and thus enhance the governance responsiveness, yet one more crucial value of democracy. Especially in local-level governance where movement among different jurisdictions is less costly, the concept of “vote with your feet” is widely applicable in both the economic and political arenas.

Such conceptual congruence between NPM and democratic reforms explains why democratic reforms in administrative systems, though seldom placed openly on the agenda, were smoothly implemented in the 1990s. Political leaders and public administrators seemed to be reluctant to launch any campaign to vigorously promote democratic practices. This is perhaps because such moves would be paramount to admitting that the administrative system was still not fully democratized.
people and administrators got used to the germane concepts of NPM, however, they would also internalize many of the core values of liberal democracy. Many democratic reforms designed to improve bureaucratic responsiveness and to empower citizens in public policymaking have thus proceeded without serious resistance.

Nevertheless, such an optimistic perspective tells only a part of the story. When the regime went through a turbulent phase of democratic transition in which basic institutions were largely installed, it started to fine-tune these new institutions with such background ingredients as political culture and informal institutional arrangements that might have influenced governance at an operational level. During this habituation phase, the focus of the reforms shifted from the governance structure to the ruled. The improvement of some soft ingredients—such as civil culture, the sense of individual responsibility to the community, and public support for the common good—seemed necessary if a democratic polity was to deepen.77 The individualistic concept of NPM seems to be contradictory to such a communitarian concept as democracy. In the case of Taiwan, after more than a decade of democratization, people are overemphasizing rights but underemphasizing responsibility, obligation, and reciprocity. To further consolidate democracy, some kind of social relationship, or “social capital” in Putnam’s terms, seems to be the determinant of a democracy’s policy performance.78 The overemphasis on the short-term satisfaction of individuals and the regarding of efficiency as the dominant goal in the NPM movement is becoming less congruent with the long-term development of democracy, as many theorists have suggested.

Conclusion

By examining Taiwan’s experience, this study has explored the dynamics between NPM and democratization, two movements that may very possibly be taking place simultaneously in many countries but as yet have not attracted much scholarly attention. Although the conflicts between the two movements are widely acknowledged in the existing literature, Taiwan’s case indicates that the contradictions have been overemphasized. There is actually not only conceptual congruence


78 [Add source].
between the two but also practical reasons during the earlier phase of democratization that create a synergy between the two. Consequently, under the popular catchphrase of NPM many democratic reforms within the administrative systems have been smoothly implemented. Nevertheless, in theory the interaction between NPM and democratization might become less harmonious as the regime enters a later phase of democratic reform. In these later stages, the emphasis is on such advanced goals as improving social relations, empowering disadvantaged groups to benefit from equal access public policies, encouraging public-spirited participation for the securing of collective goods, and promoting genuine deliberations with regard to a collective future. The case of Taiwan has not, however, fully reached this stage yet.

This findings based on the case of Taiwan may have essential implications for many developing countries that are also going through democratization and that are being influenced by NPM advocacy, such as a number of East European and Southeast Asian countries. Yet the applicability of these cases should be carefully examined because of the idiosyncratic background of each administrative system. One possible contingency is that Taiwan’s authoritarian ruling party, the KMT, remained in power for more than a decade following the country’s transition to democracy. This continuity in terms of ruling status enabled the administrative system to adjust to democratic rules in a gradual manner, and thus allowed the national leaders to cover administrative reform with the NPM banner.

The congruence of NPM and democratization also suggests directions for further research. If it is true that there is a mutually-reinforcing effect between NPM and democratization, then an interesting question to be asked is what would occur in countries that advocate NPM without democratization? For example, democracy is still a taboo subject in both public administration research and practice in China. The intellectual development of public administration in China is skewed toward the managerial (i.e., efficiency) side in contrast to the political (i.e., democracy) side. NPM as a major theme of public administration research in Western countries has also been a central focus. Once the movement is successfully advocated in China, will it give rise to increased interest in democratization?
Bibliography


Management Movement.” *Public Administration Review* 58, no. 3 (May/June): 194-200


