

Mismanagement costing the public

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Tue, Sep 25, 2012 - Page 8

On Sept. 11, Premier Sean Chen announced an economic stimulus package focusing on five areas: encouraging innovation, increasing exports, training more skilled workers, attracting investment and improving government efficiency. However, what Chen presented was merely a wrap-up of the conclusion the Cabinet came to during its past five meetings on financial issues and lacked any in-depth analysis of the reasons for the nation's structural imbalances, especially the negative effects that the shortcomings of the legislature and government administration are having on the economy.

As a result, Chen was criticized by the public, with some calling him a “liar” and likening his policy to President Ma Ying-jeou's (馬英九) “6-3-3” promise when he was campaigning for president in 2008 of achieving 6 percent annual GDP growth, a per capita income of US\$30,000 and an unemployment rate of below 3 percent — all of which never happened.

On Sept. 5, the Directorate-General of Budget, Accounting and Statistics announced that the consumer price index last month was 110.74, rising 3.42 percent from the previous year and the highest figure since the global financial crisis started. In addition, an Asian Intelligence Reports Index political and economic risk report also showed that Taiwan's GDP contracted by 0.18 percent in the second quarter of this year. This not only ranked Taiwan last among the four Asian Tigers, it also placed Taiwan at the bottom of the list of 12 major Asian nations and areas. Taiwan was also the only economy to record a contraction — its worst performance in several years. Taiwan's unemployment rate of 4.31 percent in July was also much higher than those of the other Asian Tigers.

On Sept. 7, the Ministry of Finance announced that exports last month dropped 4.2 percent from a year ago to US\$24.69 billion. It was the sixth consecutive monthly drop in outbound shipments and shows that the nation has gradually been losing its economic momentum for some time now. This is unfortunately not just something that can be blamed on a weak international economy. It is rather something that needs further examination to see how improper government administration is responsible.

The primary symptom of improper government administration is corruption. Lately, there has been a string of corruption cases involving senior officials from the Water Resources Agency, the National Fire Agency and the Criminal Investigation Bureau, as well as the bribery scandal surrounding former Cabinet secretary-general Lin Yih-shih (林益世). There have also been news of several heads of general hospitals taking kickbacks, as well as elementary-school principals being involved in corrupt practices over student lunches. All of these incidents show that the government is not nearly as clean as it was when Taiwan's economy first began taking off years ago.

Another problem is that a lot of administrative work in government agencies is either outsourced or given to temporary staff or in lieu of military service, and bureaucracy has worsened. Senior or

qualified staff spend their days pushing paper to little effect, and sometimes cannot even do this properly. For example, earlier this month in Greater Taichung, there was a case of glaring incompetence in which a document to be submitted to the Ministry of the Interior was stamped by seven different officials before it was finally discovered that the recipient's name on the paper was that of the former interior minister, not that of the incumbent. All these officials do now is tell the contract or temporary workers what to do, whereas in the past they would have been more directly involved and would have gained practical experience and skills on the job. This trend has been accompanied by a decline in efficiency and morale within government organizations.

Another sign of improper administration is a lack of power when it comes to following through on and enforcing administrative decisions. Government agencies spend too much time, effort and money on making themselves look good, but do not pay enough attention to or do enough when it comes to the issues such as sanitation, safety and order. Such oversight has resulted in harmful foodstuffs, clothing and cosmetics flooding the markets, illegal structures being built and serious issues, such as reduce traffic violations, improve forest and river conservation, protect resources, and deal with environmental, scenic and air pollution, being reduced to mere slogans during elections. Together, these factors have increasingly affected the public's quality of life.

The public is also fed up with the 18 percent preferential interest rates on pensions for retired civil servants, the 13 percent interest subsidy on pensions for retired staff of state-owned enterprises, and the education subsidy for offspring of civil servants — all of which have no legal basis. Moreover, retired civil servants enjoy holiday benefits equivalent to one-and-a-half months of their previous salary and a 30-year cap on payments for the National Health Insurance premiums. These are all examples of where the social welfare system has gone wrong.

Even worse is that most civil servants retire around the age of 55 and some make use of loopholes in the system to get a lucrative post in private schools or subsidiaries of their former companies. In such places, they often make more than double their original salary, working as a school or company director or some other high-ranking position. And of course, they also receive further retirement benefits from these private firms.

Improper government administration has driven more people into poverty and unemployment and contributed to an increasingly sluggish economy.

Translated by Drew Cameron

Published on Taipei Times :

<http://www.taipeitimes.com/News/editorials/archives/2012/09/25/2003543590>

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