1. Taiwan's Perspective with Regard to Social Development: An Introduction

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“Through development, the United Nations seeks to rid the world of social and economic injustice and fulfil our commitment to laying the foundation of peace. It is our essential mission. I call on all countries to translate that commitment into action ....,” – Kofi Annan, United Nations Secretary-General.

Article 1 of the United Nation’s 1948 ‘Universal Declaration of Human Rights’ states that “all human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.” We believe that this is not only the principle for social development, but also the spirit for international participation. However, Taiwan has been excluded from

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UN activities for thirty years.

The Republic of China on Taiwan was forced to transfer her UN membership to the People's Republic of China in 1971. Since then, Taiwan has been a political orphan in the international community. Due to isolation on the international stage, Taiwan has gone through a self-initiated and self-sustained period of economic and social development during the past three decades. Taiwan has not been informed of or acknowledged by any UN social development policies or NGO action plans until we were invited to participate in the Geneva 2000 Conference and the United Nation General Assembly Special Session on Social Development (UNGASS - Copenhagen + 5). We then started to learn the spirit and contents of this humanistic great Commitment.

What is the Copenhagen Commitment?

The World Summit for Social Development, held in Copenhagen in 1995, was significant for its forging of a new global social contract that put people at the center of development. The need for attacking poverty, creating jobs and building solidarity is not in dispute. One in four people in the world lives in poverty, surviving on less than a dollar a day. Nearly a billion people are illiterate. Well over a billion people lack access to safe water, some 840 million go hungry or do not know where their next meal is coming from, and nearly a third of the people in the least developed countries are not expected to survive to the age of 40 (UN DPI, 1998).

The Copenhagen Declaration and Program of Action, adopted by the 186 countries attending the Social Summit, provides an opportunity for genuine international cooperation to find lasting solutions to these seemingly intractable social problems plaguing countries, irrespective of their level of development. Among the agreements made by the world leaders in the Declaration are ten commitments to:

- Eradicate absolute poverty by a target date to be set by each country;
- Support full employment as a basic policy goal;
- Promote social integration based on the enhancement and protection of all human rights;
Achieve equality and equity between women and men;
Accelerrated the development of Africa and the least developed countries;
Ensure that structural adjustment programs include social development goals;
Increase resources allocated to social development;
Create “an economic, political, social, cultural and legal environment that will enable people to achieve social development”;
Attain universal and equitable access to education and primary health care; and
Strengthen cooperation for social development through the United Nations.

Due to unfamiliarity with the Copenhagen Commitments, we organized our team in terms of Taiwan's experience in social development. However, it turns out that those self-initiated policies and systems provide fresh lessons for other developing countries. Because the time of organizing this World Forum (1999) was about the third year after the Asian financial crisis, the organizing secretariat instructed us to add panels on discussing the causes and consequences of the financial crisis and its implications for social development. This is why the theme of Part I of this book is the economic and social consequences of the Asian financial crisis. Part I is comprised of four chapters. In Part II, we selected five representative papers that investigate how Taiwan’s government implemented social policies in different stages of economic development. Part III, entitled “NGO Development and Practice in Taiwan”, contains three chapters. From this part it is very important to realize the altruistic power of NGO leaders and their followers is invaluable for making a peaceful and loving society.

The major findings and policy implications from these selected fine papers are summarized below.

Part I: Economic and Social Consequences of East Asian Financial Crisis
It is well known that Taiwan felt relatively light effects from the Asian financial crisis. It is interesting to compare the policy differences between Taiwan and its neighbors. We, therefore, arranged for five scholars from Japan, South Korea, Singapore, and Taiwan to examine the causes and consequences of the financial crisis in different countries so that we can summarize the common and uncommon features of these countries’ experiences.

Mitsuru Taniuchi\(^1\) (2000) summarizes structural weaknesses highlighted by the crisis in four broad areas. The first area of weakness is the financial sector, the second is the corporate sector, the third is economic policy making, and the fourth and last is social safety provision.

1. Weakness in the Financial Sector

Major weaknesses spotlighted by the crisis include the financial sector. The foremost weakness in the financial sector was ineffectual prudential regulations and supervision. East Asian economists have actively introduced financial deregulation and capital account liberalization over the past two decades. However, such financial deregulation and liberalization have not been accompanied by commensurate strengthening of bank regulations for prudence. Ineffectual regulations and supervision led to excessive bank exposure to foreign-currency liabilities (particularly short-term debts), and imprudent lending.

2. Weakness in the Corporate Sector

Against the backdrop of continued strong growth, firms often made bullish investment to gain larger market shares and diversify beyond their core businesses, without paying due consideration to profitability. As a result, Korean firms particularly had very high debt-equity ratios. Over-leverage had made the corporate sector susceptible to both a sharp

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\(^1\) Dr. Taniuch is the Director-General, Coordination Bureau, Japan's Economic Planning Agency, and Chair, APEC Economic Committee. Due to Taiwan's political sensitivity in the international community, our invited honorable guest from Japan does not want his paper to be included in this milestone book. We, therefore, excerpt some of his important points of view on the Asian financial crisis in this introductory chapter.
economic downturn and surges in interest rates during a crisis. In addition, the lack of transparency regarding financial positions of firms may have aggravated the herd behavior of foreign lenders and investors, because it was difficult to discern good companies from bad companies.

The second point regarding the corporate sector is that the crisis has shed light on the need to develop small and medium enterprises (SMEs). A well-developed SME sector appears to help cushion adverse impacts of the crisis on an economy. A case in point is Taiwan. Taiwan has managed to weather the crisis relatively well. The vast number of firms in Taiwan indicates greater competition, which would lessen the risk of poor decisions as to new investments and corporate management. A well-developed, competitive SME sector is not only the engine of growth, but also contributes to the resiliency of an economy to downside risks.

3. Further Need for Better Economic Policy Making

Generally speaking, the track records of economic policies in East Asia are good. However, there are some areas in economic policy making that need strengthening.

One such area is exchange rate policy. Thailand and some other East Asian economics had pegged their currencies with the US dollar in a de facto sense. Such inflexible exchange rate regimes are likely to have increased vulnerability to a financial crisis, because effective exchange rates fluctuated as the dollar-yen rate moved up and down. Also, un-hedged foreign borrowings were prevalent in Thailand where the Thai baht had been largely fixed to the dollar over more than a decade. Such huge un-hedged borrowings brought on devastating impacts on firms and banks as the baht plummeted. The crisis has shed light on the need to review the exchange rate policy.

4. Underdeveloped Social Safety Provision

As with many developing economics in the world, the East Asian economies have basically relied on informal family-based assistance for household security. However, the crisis has starkly revealed the need for the government-sanctioned schemes to assist the poor in times of sharp economic downturns.

It is obvious that the strategies or policy tools for solving the
financial crisis is by no means financial only. We will see more related reviews in following chapters.

Chapter 2 “Global Governance, Financial Architecture, and Economic and Social Development” points out that the globalization of trade and foreign direct investment (FDI) has resulted in a more easily contagious global village. Though globalization has brought greater prosperity to the much of the world, some claim globalization has polarized world income distribution, victimizing poorer countries, especially the instant flow of massive amounts of capital across national borders. In conclusion, the author makes clear the need to establish a regional financial mechanism and the importance of monitoring the financial indicators to prevent future crises.

Chapter 3 explores South Korea’s experiences during the Asian financial crisis. The principal causes of the Korean economic crisis were that the Korea’s financial system is credit-base, the pricing mechanism is influenced more by administrative guidance than by competitive market forces, the monetary policy is subject to administrative guidance and is used for resource allocation rather than stability of the financial system, and industrial adjustment is often government-led rather than company-led. As to the micro level failures, three structural failures were mentioned:

1. Failure to match industrial and financial structures;
2. Governance failures within financial and industrial firms; and

The author suggests two areas of reform in South Korea. One is economic reform (i.e. financial restructuring; consolidation of financial regulatory agencies; deregulation/restructuring of the financial industry). The other suggestion is corporate restructuring (i.e. Chaebol reform; Corporate Governance reform). The implications for other developing economies are (1) the industrial structure of a nation should be congruent with its financial structure. (2) Until the modern financial infrastructure is set up, the capital account convertibility should be delayed and the government should control short-term capital flows. (3) All developing countries must develop efficient capital markets.

Chapter 4 entitled “Economic Consequences of the Asian Financial Crisis, Post-Crisis Challenges and Responsibilities of Central Banks”
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focuses the discussion on the domain of the central bank, especially in the
ASEAN countries. The author stresses that the volatile fund flows and
internet financial services are in urgent need for Asian countries for
ensuring balanced-sustainable economic growth and adequately cope
with internationalized fund flows. This paper elaborates eight
observations and policy implications for regional central banks and
financial centers:

1. Restoring banking stability: beyond supervised capital
requirements;
2. Enhancing banking disclosure, public accountability and
supervisory transparency;
3. Coping with capital flows, guarding against market
manipulation and maintaining exchange rate stability;
4. Inconsistent policy targets and retrogressive measures by central
banking authorities;
5. Policy over-spill, contagion effect and regional central banking
coordination;
6. Changing financial landscape in the global banking industry: an
omnibus act to streamline supervision;
7. Potential of online financial services and its implications to
regulating authorities;
8. A competitive and efficient financial center based on the
Principle of Comparative Advantage.

The last chapter of this part (Chapter 5) ended with Taiwan’s
experiences. Most countries affected by the financial crisis experienced
trade deficits, over-investment, high foreign debts, and poor loan quality.
The reasons why Taiwan’s economy had a particularly resilient
performance during the Asian financial crisis can be summarized as
follows: (i) the real sectors maintained high productivity. (ii) Small-
and medium-sized enterprises continued to play an important role in the
economy. (iii) A stable monetary environment was built up during the
economic development process. (iv) Abundant foreign reserves and
excessive savings enhanced confidence in the financial system. And (v)
Taiwan’s experience with several crises facilitated the crisis’ management.
All of these factors helped Taiwan to overcome the ravages of the recent
Asian financial crisis.
The process of economic liberalization in Taiwan is regarded as being generally appropriate. Some private financial institutions had not been operating soundly, and as stock market prices dropped in the second half of 1998, some finance companies also found themselves in trouble, therefore, the inherent weaknesses of the financial system began to reveal themselves. However, the financial sector became more stable after early-1999, with the result being that Taiwan’s economy was able to overcome the difficulties within a very short period. This paper also examines several problematic issues in the effective execution of macroeconomic and monetary policies. Policy implications derived from Taiwan’s experience of the crisis, including economic development policy, financial and monetary policy, are also presented in this paper. The final section provides implications for the Copenhagen commitments:

1. Appropriate economic policies are crucial for promoting social development.
2. The establishment of a social safety network is important.
3. Financial Reform can improve social structure and income distribution.
4. Enhancing regional financial and social cooperation.

Part II: Social Welfare Policy in Taiwan: Implications For the Copenhagen Commitment

Taiwan’s economic miracle of rapid economic growth with equal income distribution had been well-documented (Galenson, 1979; Ranis, 1992; CIER, 2000). This means Taiwan has had less poverty problems during the process of economic development. Various points of view on how Taiwan achieves such dichotomous economic and social development goals in the same time have been raised. The government policies on fostering a favorable investment environment (i.e. land, labor and capital) – that are good for the emergence and growth of the small- and medium-sized entrepreneurs -- were recognized as major factors of Taiwan’s economic miracle. There is plenty of literature discussing these issues, APEC even conducts a project to develop small and medium-sized
enterprises for each country in the Asia-Pacific Region. It is not appropriate to discuss these economic policies and tools in this book. However, it is important to recognize that social policies should begin with economic policies in the early stages of economic development so as to generate a more even income distribution, in other words less poverty, for the society.

Broadly speaking, healthcare, housing, public assistance, and education could all be treated as branches of social welfare. Among them, the country has so far only launched universal health insurance. We, therefore, arranged two chapters for the issues of healthcare system and policy in this book.

Chapter 6 is an excerpt of a lecture delivered by the Minister of Health from Taiwan at the Geneva 2000 Conference. It is entitled “Health Care System in a Transitional Society: The Taiwan Experience”. Taiwan’s development of public health has to look back to the period of the Japanese occupation from 1895 to 1945 and the generous help of some international organizations (e.g. WHO, the UNICEF, and the US aid from 1950 to 1972. A healthcare network was built to serve as the foundation for the current healthcare system. After Taiwan left the UN in 1971 and the WHO in 1972, Taiwan had miraculously progressed both in economic development and health care programs. There are four major achievements in healthcare during this transitional period:

1. Prevention and control of major communicable diseases;
2. Success of family planning;
3. Enhancement of medical care resources; and
4. Implementation of national health insurance program.

Future directions for Taiwan’s health care policies are: (1) Reforming the NHI program, (2) Seeking efficiency and quality of health services, (3) Improving the care for the elderly, (4) Promoting international cooperation.

Chapter 7 entitled “Social Factors – A Paradise Lost in the Health Care Policy Process in Taiwan” analyzes Taiwan’s healthcare system and policy from another angel. The author’s contends the NHI act can be called a success of economics, yet a failure of political science and sociology. The missed social perspectives in these newly made NHI programs are in four folds: (1) Harm to the medical profession. One
unintended consequence of NHI is the imbalance of the specialties due to distorting incentives to medical students. (2) Hospitals viewing themselves as an economic units instead of a social service providers. This is due to the mistake on fee-for-service system of the NHI. (3) Community care is now still in the primitive stages; elements are not yet put together for community cares networks. (4) The dichotomy between the public programs and the volunteer organizations. It is hoped the government can bring back social perspective into the making of healthcare policies, and by so doing, broaden the scope of healthcare reform.

Overall speaking, these two chapters provide experiences and lessons from Taiwan to envisage the possible problems in accomplishing some goals of the Copenhagen Commitments such as creating an environment for social development; eradicating financial barriers for the indigent; and promoting social integration.

Although Taiwan has outstanding economic development experiences, this does not mean that there is no poverty in Taiwan. Chapters 8 through 11 explore Taiwan’s social welfare movements and policies on combating poverty, as well as promoting welfare rights for the disadvantaged.

Chapter 8 entitled “Poverty and Policy: The Phenomenon of Taiwan’s Rapid Economic Development”. This paper points out that Taiwan’s poverty policy can be traced back to the late 1940s. The first ‘Survey of Social Aid’ and a definitive standard on ‘minimum cost of living’ were stated in 1962. In the early stages, subsidies and services to the poor/low income families were mostly on free medical service, living assistance and subsidies for festivals. In 1993, the items were expanded to students’ living assistance, work relief, and education subsidies.

The expenditure on social welfare in Taiwan is categorized into five areas: social insurance, social assistance, welfare services, employment services and medical subsidies. The sharp increase in welfare expenditures began 1994, both in terms of the absolute amount, and the relative share of the total budget. This shows that the Taiwan government has placed increasing emphasis on the welfare system since the late 1990s. Social insurance for low-income families started in 1991 and has succeeded in removing medium- and low-income families from the threat of illness and poverty through the provision of full coverage of expenses involved in childbirth, illness and injury; Social assistance and welfare
service were extended to the provision of living assistance for school attendance, consultation on employment, and educational assistance for children. Central government budget expenditure on disadvantaged groups, including the disabled, low-income households, the elderly, adolescents, women, farmers, fishermen and laborers, sharply increased from NT$82 billion in 1998 to NT$276 billion in 1999.

In a departure from other developing countries, poverty policy in Taiwan has been carefully designed to avoid providing any disincentives to those with the will to work, and to avoid the tendency towards poor people’s reliance on subsidies. Furthermore, in June 2000 the Social Bureau of Taipei City began experimenting on an innovative project – the Family Development Account Project – to help families avoid poverty. This project is jointly supported by the City Government and by a private securities company. It is designed to build up low-income families’ own physical assets and human capital via encouraging enforced savings so as to overcome poverty.

Chapter 9 explores how and what strategies of law making and social movement had been used to enforce the rights of the disadvantaged in Taiwan. Legislation for the disabled, elderly, and women victims was taken as examples. It was found that lobby groups concerned with different groups developed different techniques. Policy advocacy was the main technique used by lobby groups for the disabled and elderly. As to lobby groups for women victims, direct practice combined with policy advocacy reflected the more complicated circumstances faced by this group. Action groups were usually composed of professionals (i.e. lawyer, scholars). In the end, the author suggests that adequate staffing at the local level is also key to effective policy implementation. The central government must provide incentives, such as earmarked grants, for local governments to follow legislation.

Chapter 10 is a piece of academic and empirical research on Taiwan’s experience on how governmental expenditure on social welfare can improve people’s capability. This paper applies a time-series data set to Taiwan from 1917 to 1997 to investigate the function of income, social welfare spending, and education in improving capability. Since capability itself is unobservable, the study adapts life expectancy as a proxy variable because of high correlation and assumes that capability is positively correlated with income since a rich person could afford to do more economic and non-economic activities.
There are four main findings: (1) GDP, education, and government spending on social welfare all have a positive and significant effect on life expectancy. (2) The relationship between capability and life expectancy is different between males and females. (3) GDP and education have a stronger effect on the life expectancy of males than females. However, social welfare has a larger effect on female life expectancy. (4) Last, but not least, education had a larger effect on life expectancy after 1951, nonetheless social welfare had a larger effect on life expectancy when people in Taiwan were poorer.

The last chapter of this part (Chapter 11) entitled “Searching for a Welfare Model: Taiwan’s Social Welfare Policy in the Millennium”. This paper first introduces welfare retrenchment measures adopted in advanced countries (1993-95) and the number of countries implementing old age, survivors, disables, and unemployment economic security programs (1940-97). There are altogether 172 countries that have adopted social security programs of some kind by 1997. Among them, 111 countries offer health and fertility allowances; 164 countries offer health and fertility allowances; 164 countries provide vocational injury allowances; 68 countries have unemployment benefits; 86 countries render family allowances; All these indicate that social protection for the aged, the disabled and the survivors has been highly stressed by many countries over the past half a century.

The author suggests the Taiwan government should shape the future public pension system into three-tier safety net (a proposal by the World Bank). Actually the Council for Economic Planning and Development of the Executive Yuan (2000) is currently planning such a three-tier social safety net. It is hoped after decades of implementation the policy goals of reducing the governmental burden of public pension taxation can be achieved. The three steps of social welfare goals: income redistribution and poverty eradication, mandatory saving, and voluntary saving.

In sum, this part describes different phases of Taiwan’s social welfare policy, from policy formulation history, the lobby practice, and serious policy evaluation research to future goals such as the search for a Millennium welfare model(s). It is our sincere hope these experiences and evaluation methods can provide UN ECOSOC a useful reference for implementing the Copenhagen Commitments on issues such as creating an environment for social development, eradicating financial barriers for the indigent, and promoting social integration.
Part III: NGO Development and Practice in Taiwan

Taiwan has witnessed the unprecedented emergence of NGOs and grass-root community movements since the mid-1980s. Influenced by the third global wave of democratization, after almost 40 years, Taiwan lifted its martial law in 1987 and since then, it has become apparent that social life in Taiwan has been liberated from the control of the state. The most noticeable phenomenon has been the rapid development of volunteer and non-profit oriented NGOs in all aspects of society, which have become a conspicuous part of many people’s activities in Taiwan.

In response to the previous failings of the state system, these volunteer organizations now provide the new collective force to address serious problems faced by our new modernizing society, and assist in finding solutions to these problems. The development of these new social associations form a third sector in the society, which is seen as a welcome supplement to the traditional public sector and private sector dichotomy.

Chapter 12 is entitled “Taiwan’s Economic and NGO Social Services Network in the Asia-Pacific Region”. The first section of this paper reports that Taiwan ranks as 16th largest FDI country in the world. Within Asia, Taiwan ranked fourth, falling behind only Japan, Hong Kong and Singapore (these three Asian countries rank fourth, tenth and fifteenth in the world). In terms of investment relationship, Taiwan is the second largest investor in Malaysia and Vietnam; the third largest in Cambodia and China; and the fourth to sixth largest in Thailand, the Philippines and Indonesia. As for trade relations, Taiwan ranks between fifth and ninth largest trading partners with these countries. All these economic networks laid the foundation for the development of overseas NGO networks for international social relief. Taiwan’s contribution towards investment in the Asia-Pacific Region is analyzed in five aspects: (1) trade expansion effect, (2) employment creation, (3) capital formation, (4) technology transfer, and (5) industrial links to their local industrial development. These effects can be regarded as a kind of economic NGO contribution.

The emergence of socially-concerned NGOs domestically largely
depends on the attitude of the state. After the government lifted martial law in 1987 and let people organize their own interest groups or associations of common concern, Taiwan’s NGO movement started to sprout. The development of overseas NGOs began in 1990s. The two most profound international NGOs were introduced as prototypes of how Taiwan’s NGOs could become involved with international humanitarian relief. These NGOs are World Vision Taiwan and the Buddhist Compassion Relief Tzu Chi Foundation. Areas of intensive Taiwanese migration or FDI areas turn out to be the supporting branches or offices of these global relief organizations.

Perhaps the best-known international NGO is the Buddhist Compassion Relief Tzu Chi Foundation, a grassroots NGO that pursues poverty eradication, medical service, culture and education on the island, as well as in our neighboring countries. It has become an important peace-making force both in the Asia-Pacific Region, and in other continents. The story of ‘love transcending borders’ with Tzu Chi volunteers has become the basis for a recent Canadian textbook for primary schoolchildren. Chapter 13, written by leading members of the Tzu Chi Foundation, reveals the group’s works and points of views on social relief and compassion.

Chapter 14, using materials from a recent earthquake (September 21, 1999) as a case, elaborates how the government and civilian sectors worked together to provide urgently needed social services and redevelopment work. Since the author was one of the major government officers in charge of the local rescue, the first observations and organization of the rescue tasks make this paper really worth reading. Rescue and relief efforts were mobilized immediately after the earthquake to provide rescue manpower, supplies and equipment, as well as shelters and medical services to the victims. NGOs dedicated themselves immediately to forming medical teams, transporting relief supplies, and donating blood. Among them, religious groups were the most touching sparks.

During the aftercare period, both the government and NGOs played important roles in helping the victims get their lives back to normal. Several NGO groups, or alliances, were formed to provide direct relief and rebuilding assistance. Given the large number of parties involved in the reconstruction, there have been occasional clashes of opinions. This paper also describes those negative effects from NGO participation.
As to the final, ongoing stage of reconstruction, rehabilitating victims, and restoring their livelihoods, some enthusiastic NGOs or entrepreneurs have joined some of the housing and school reconstruction works. Around Taiwan, some 870 schools sustained damage. For instance, the Tzu Chi Foundation “adopted” the rebuilding of 54 schools, Taiwan Plastics Corporation adopted 16 schools, and the Evergreen group has contributed NT$300 million for erecting stronger and safer buildings with reinforced-concrete structures. In conclusion, the paper points out that the objectives of post-quake reconstruction can only be achieved if the government, communities, experts, developers, and financial institutions all work hard together in common cause.

Many other NGOs have gained an international reputation for their devotion to the relief of vulnerable members of society, such as World Vision Taiwan, and the Chinese Children's Fund. The work they are undertaking is pertinent to the principles and goals of the Copenhagen Commitments, such as the eradication of poverty, promotion of social integration and the universal and equitable access to quality education and health services. If these organizations were to be integrated into the UN's NGO accreditation system, they could attain even greater achievements, with the UN providing an environment for their activities (to be placed within a recognized framework of international cooperation for social development). This would clearly signal the launch of a new global drive for social progress and development embodied within the Copenhagen Commitments.

Political Dispute and Copenhagen Commitment

Peaceful resolution of the political dispute between Taiwan and China is a good example of the promotion of people's welfare and social integration. To this end, it is recorded within the Copenhagen Commitment that “at an international level, we will promote international peace and security and make, and support, all efforts to settle international disputes by peaceful means in accordance with the Charter of the United Nations”. And even at a national level, “reinforcing peace by promoting tolerance, non-violence and respect for diversity, and by settling disputes by peaceful means” were also recognized as tenets of the Commitments.

As many people are already aware, the People's Republic of China
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(PRC) claims sovereignty over Taiwan, and in both the inaugural, and the latest presidential election of 2000, the PRC went to great lengths to threaten the people of Taiwan to vote for their preferred candidate. However, Taiwan’s citizens have used their votes to reject any interference by the PRC in the democratic process. The PRC’s actions serve only to increase feelings of uncertainty and insecurity in the lives of the Taiwanese people, and we see such behavior as not meeting the spirit and principles of the Copenhagen Commitment.

During the recent Asia financial crisis, Taiwan has proved to be a valuable member of the region, making substantial contributions to economic recovery and social stability (Chiu Chen, 2000). Clearly the democratization of Taiwan has an enormous impact on cross-strait relations, while its own economic success, and NGO development have ensured that Taiwan now plays a very important role in East Asian economic and social development. It is recognized that for the achievement of sustained social development, sound, broad based economic policies are required.

The Taiwanese people now wish to have international attention in order to achieve a peaceful resolution to the current China-Taiwan political dispute. Democracy and prosperity are the common values of mankind and the basic foundations for social development. There is no doubt that Taiwan has achieved social, political and economic development within its borders, and we are now stretching out our hands to provide assistance to vulnerable nations in the region as described in my paper presented yesterday. However, the potential conflict across the Taiwan Strait intimidates many of the nations of East Asia, and continues to jeopardize peace and prosperity within the region.

Respecting human rights is a common value within advanced countries. Isolating Taiwan from the international community is by no means a humanistic behavior. Besides, promoting human dignity is very much in the spirit of Copenhagen Commitment. There is a Chinese adage, “Human dignity is not the offspring of an empty stomach” which means “Civilization begins with promoting people's livelihood”. Therefore, Taiwan’s experiences with economic and social development should be regarded as valuable lessons for other developing countries. Before we come to a satisfactory political reconciliation with the PRC, we hope Taiwanese NGOs can play the function of olive branches for the third world.
Under the accreditation of general or special consultative status with ECOSOC, our leading think tanks can provide economic and social policy and practice training to the needy developing countries. Our NGOs, with overseas aid or relief capacity, can provide more assistance via each country’s official cooperation. These arrangements will foster an environment for international cooperation toward social development.

For achieving the goal of establishing a UN NGO coordination center for the Asia-Pacific Region in Taiwan, an official affiliation with UN NGO system is necessary. We, therefore, urge that UN ECOSOC accept qualified Taiwanese NGOs and provide them with immediate UN accreditation. We are sincere and willing to contribute what we can for the benefit of the Asia-Pacific Region.

We hope that China can adopt a more flexible policy toward Taiwan’s participation in the international community. The coexistence of both Taipei and Beijing within the various international organizations would help promote dialogue between the two sides.

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