

# Taiwan 2011



**Total: 72.28**

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## Quick facts

Population:	23.07 million
Population growth:	0.19 %
Unemployment rate:	5.2 %
GDP:	821.8 billion \$
GDP growth rate:	10.8 %
GDP per capita:	35700 \$

## Political Freedom

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### Free and Fair Elections : 9.29

Elections in Taiwan are usually free and fair. The last parliamentary and presidential elections were held in 2008. As in 2004, tempers were running high and some large protests took place, but there was no violence. Evidence suggests that there were some cases of vote-buying, albeit on a limited scale.

Political participation and pluralism are equally unrestricted in Taiwan; opposition parties can operate freely and without restrictions. The civil society is meaningfully included in the political process.

### Absence of Unconstitutional Veto Players : 8.33

There are no veto players without a constitutional mandate. During Taiwan's transformation to a democracy, all potential veto powers were dispersed. Even though political actors sometimes strongly disagree on policy matters, there is a broad consensus among them concerning Taiwan's political system as a market-based democracy, and so there are no noteworthy anti-democratic powers that could act as an unconstitutional veto player.

## **Freedom of Press : 7.5**

Press and media operate relatively free and unrestricted in Taiwan: a diversity of opinions and views are voiced, criticism towards government policies is tolerated, internet is free, and foreign journalists can travel and report without restrictions. Consequently, the government's influence on the press is minimal. Lately, there have been some efforts by the government to restrict critical press voices. Ever closer commercial ties between Taiwan and China have pushed media owners and journalists to self-censorship, albeit on a limited scale.

## **Rule of Law**

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### **Independence of the Judiciary : 6**

In general, judicial independence is well developed in Taiwan. Trials are fair and usually free from external influence by politicians or business. Nevertheless, some doubts have been expressed regarding the political independence of the Supreme Court judges; their nomination process, judicial proceedings and decisions have raised eyebrows.

### **Corruption : 5.8**

Corruption in Taiwan is still on a moderate level, but things are getting better. In 2009, several measures were taken by the government to enforce anti-corruption laws, resulting in the removal of high-ranking officials and members of parliament who were involved in vote-buying. The media reports frequently and extensively on corruption cases, contributing to the raising of public awareness of this subject. Transparency International ranked Taiwan as position 33 out of 178 surveyed countries in its 2010 index.

### **Protection of Human Rights : 7.78**

Human Rights are generally protected and respected in Taiwan. Since Taiwan is not recognised as an independent country and, therefore, not a member of the United Nations, the country is not party to any UN Conventions regarding the protection of human rights. Nevertheless, human rights violations are uncommon. In its 2009 report, Amnesty International criticised insufficient protection of women and girls from domestic violence. During the visit of a semi-official delegation from China, the freedom of assembly and expression was restricted. Taiwan officially has not abolished the death penalty, yet. Executions were resumed in 2010, after having been suspended for almost four years between 2005 and 2009.

## **Economic Freedom**

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## **Security of Property Rights : 6.89**

Property rights are adequately protected under Taiwanese law. The courts honour and enforce contracts, but the judicial process can be slow at times. Several laws have been passed to enforce the protection of intellectual property rights, yet pirated CDs and DVDs, counterfeit pharmaceuticals, and fake luxury goods still are readily available.

## **Size of Government: Expenditures, Taxes, and Enterprises : 6.42**

Government spending has risen from 17.8 percent to 18.5 percent of the GDP. Recent privatisation and deregulation measures led to the state playing a smaller role in Taiwan's economy.

Taiwan has a comparatively high income tax rate of 40 percent. The corporate tax rate has been reduced from 25 percent to 20 percent. Additionally, there is ten percent surtax on undistributed profits. Other taxes comprise a VAT and a property tax. Overall tax revenue is about 13.7 percent of the GDP.

## **Regulation of Credit, Labour, and Business : 6.8**

Taiwan's financial sector is modern and competitive. Foreign investors operate freely. The government, through its own institutions accounting for roughly half of the country's financial assets, dominates banking. Foreign banks have a limited role.

Taiwanese regulations well protect the freedom to start, run, and close a business. It takes 15 days to start a business, and getting a license takes 28 procedures and 142 days. Closing a business is an uncomplicated procedure.

Labour regulations are fairly inflexible. The non-salary cost of a worker is low; firing procedures can be expensive and complicated. Regulations on work hours are not flexible.

## **Freedom to Trade Internationally : 7.47**

Taiwan's weighted average tariff rate is about two percent. With trade with China being the only exception, the state does not interfere significantly with foreign trade. In the case of China, regulations try to control Taiwan's trade and investment dependency on the mainland. Among the obstacles to foreign trade are import and export bans and restrictions, state trade in some goods, and weak enforcement of intellectual property rights.