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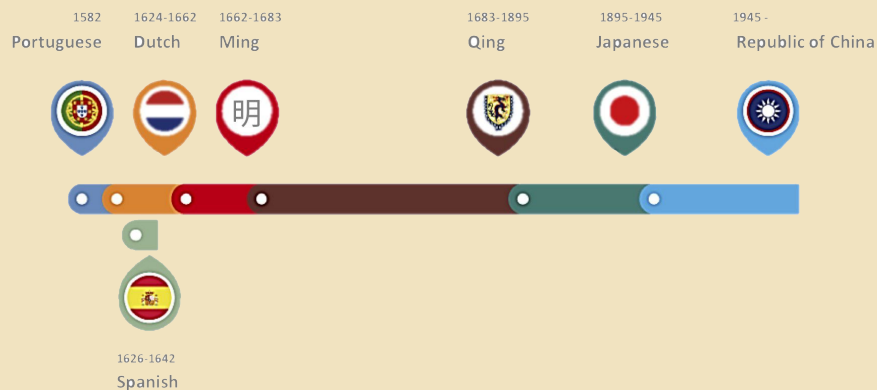


Industrial Development in Taiwan: Issues and challenges

EE463 GLOBALIZATION AND INTERNATIONAL DEVELOPMENT

Overview of Taiwan

History of Taiwan



Although Taiwan was discovered by Portuguese sailors, the Dutch colonial administration from 1624 to 1661 brought a crucial change to Taiwan economy

Taiwan's today



Taiwan, officially the Republic of China (ROC). The island of Taiwan constitute a **major crossroad between China, Japan and Philippines**

Taiwan benefits an **ideal geographical situation at the core of Asia**, which makes it a very convenient crossroad to link the main cities of this part of the world.

Background Information



The pace of industrialization had greatly increased in Taiwan during the First World War (1914-1918)



The manufacturing sector of Taiwan continued to boom in the late 1950s and the 1980s.

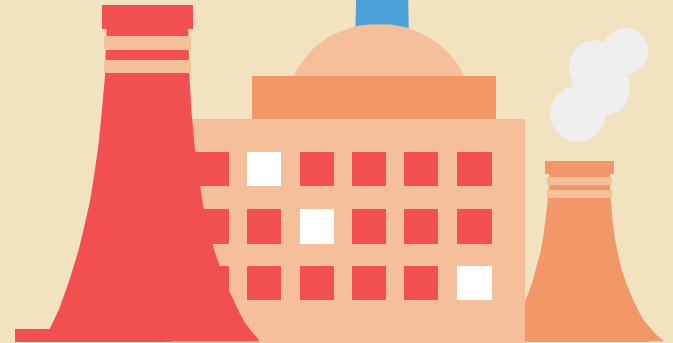
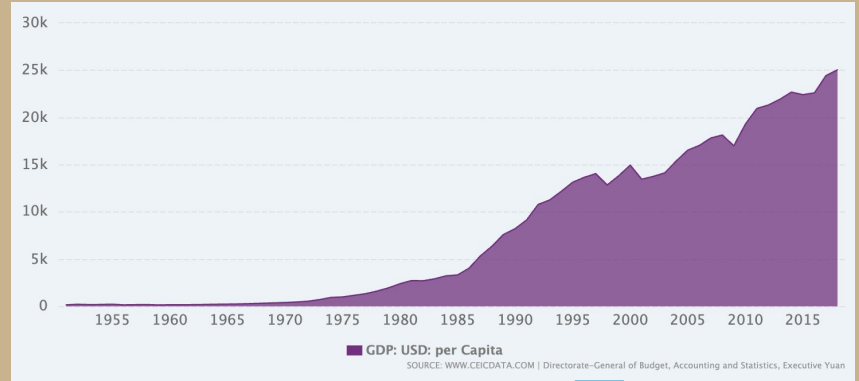


more labor-intensive and capital-intensive to produce radios and other electronic devices



Other equipment produced by Taiwan included auto parts, tools, electrical equipment, and telecommunications became a critical business in the industry

Taiwan's GDP Per Capita Since 1951



Identification of the Critical Issues and Challenges

01

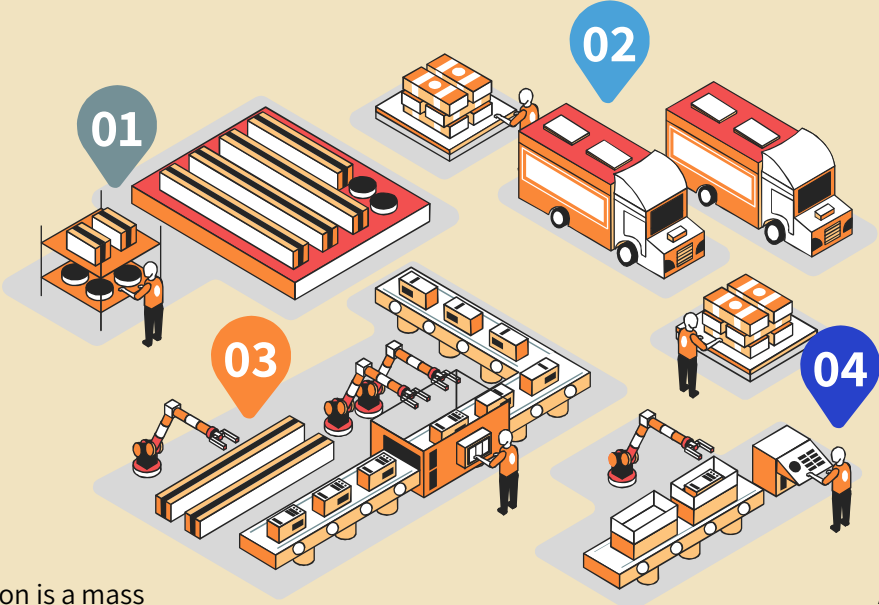
Development of agriculture in pre-war Taiwan

the agricultural sector changed the form of the industrial revolution from an adoption of the Capitalistic model of rice and sugar production

03

The increased population in Taiwan

The contribution to Taiwan population is a mass migration from the mainland of China in the 1970s and 80s, which contributed to an annual growth rate of 3.4% in Taiwan



02

Land reform

The land reform policy established the owner-cultivators and influenced the formation of labor force together with the agricultural production

04

Financial assistance from the United State

Annually, the United States provided about \$90 million in financial aid to Taiwan and provided an exchange program for training at the United States

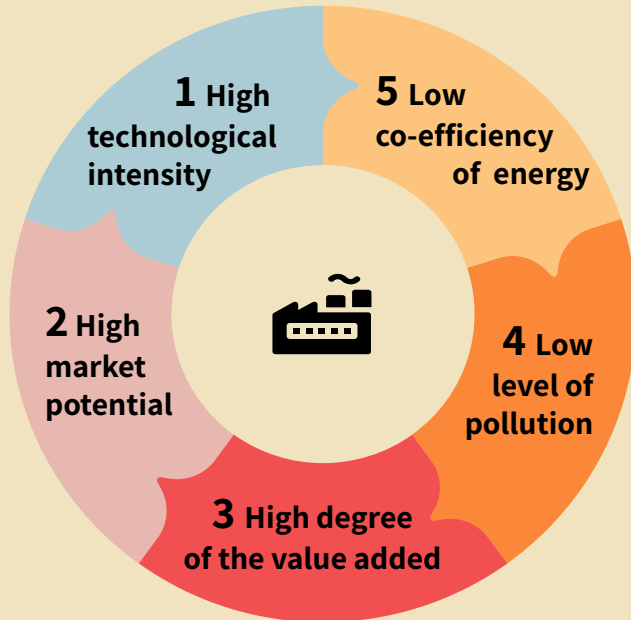
Central Development Strategies and Policies passed by the Government



Import-substitution policy

The policy was launched in the 1950s to protect domestic and reconstruct the economy post WWII

Criteria for creating strategic sectors policies:



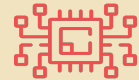
Export-substitution policy

Export-substitution was used in the 1960s and 1970s to accelerate economic growth

The strategic sectors are:

01

Electronic sector



02

Information sector



03

Energy production sector



Central Development Strategies and Policies passed by the Government

Two measures aimed to subsidize the strategic sectors:



Preferential technology

Subsidize technology-involved sectors



Loan and assistance management

Channels to gain pool funds

- Through the bank of communications
- Through medium business bank of Taiwan

The funds were used to:



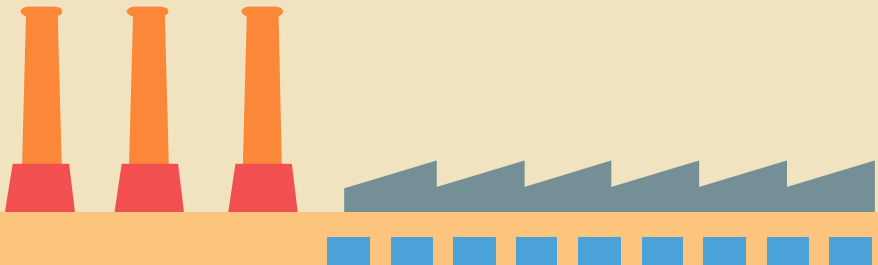
Pollution prevention



Energy-saving equipment



Mass transportation equipment



Central Development Strategies and Policies passed by the Government

Other important policies:

Work-on shift policy

In order to become a 24-hour economy fueled the country's growth, Taiwan implement a work-on shift policy



Financial management policies

Preventing the loop hole and make sure that the company paid the worker appropriately and proper measure to motivate them to reach the maximized potential



Outcomes



The **outcome of industrialization in Taiwan** was **positive** from the well-recovery of the economic after the WW1 and WW2



The industrialization period contributed to the **development of infrastructure** establishing **employment opportunities** for its citizens



Taiwan has become an **economic zone**
Many countries in the Middle East seek **financial support** from Taiwan



Industrial revolution contributes to the establishment of **better government policies**

Lesson Learned



Lesson learned
from the
industrialization
of Taiwan

01

Stability in agricultural production is the key for industrialization

02

Developing countries need to **put in place suitable policies to ensure an improvement** in economic growth and adequate expenditure for resources

03

Developing countries should put in place measures to ensure that resources directed towards putting in place measures to ensure sustainable industrialization

THANK YOU!

FOR YOUR PARTICIPATION