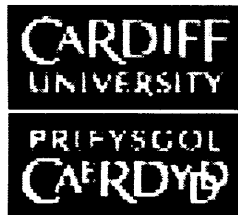


**POLICY COORDINATION IN RELATION TO
LAND USE PLANNING IN TAIWAN:
A NEO-INSTITUTIONALIST PERSPECTIVE**

By

An-Ting Cheng



**Thesis Submitted in Fulfilment of the Requirement for the Degree of
Doctor of Philosophy of Cardiff University**

**Cardiff School of City and Regional Planning
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Summary

The issue of policy coordination is inevitably viewed in discourses surrounding fragmented planning and the integration of the plan making process. This even more so in Taiwan since the 1990s, a period that has seen the significant institutional change, while economic globalisation has impacted on the developmental state strategy adopted over previous decades, and the movement towards democratisation has led to the collapse of political authoritarianism.

This thesis attempts to explore the dynamic relationship between different sectors through an understanding of policy coordination between economic planning and the land use planning system. It adopts a neo-institutionalist perspective as an approach to explore how coordination works and to explain how the roles in planning have altered during a period of institutional change. The emphasis of this study is on the practices in the plan making processes, and the relationships between actors/agencies during this process, at the regional level, through which cross-sectoral policy are supposed to be coordinated.

Based on the findings of three case studies, the thesis argues that the policy making process has been affected by the institutional changes and suggests this has led to a weakening role of the central planning authority and the rise of local authority powers. In spite of the change, it also finds that primary planning policy has remained on track owing to the solid personal network behind the formal planning system. The significant role of personal factors which are embedded in the cultural context is noticeable and can be viewed as a part of the informal institutional factors in policy coordination process.

Accordingly, the thesis finally emphasises the importance of informal institutional elements and suggests the personal factor, including the relationship and the network must be taken into account in any research on planning process in Taiwan.

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Abbreviations

APROC	Asian-Pacific Regional Operations Centre
CEPD	Council for Economic Planning and Development
CPA	Construction and Planning Agency
CTSP	Central Taiwan Science Park
DPP	Democratic Progressive Party
EIA	Environmental Impact Assessment
EPA	Environmental Protection Administration
HSP	Hsinchu Science Park
IGR	Intergovernmental Relations
KMFCTP	Kaohsiung Multi-Functional Commerce and Trade Park
KMT	Kuomintang or Chinese Nationalist Party
KSP	Kaohsiung Science Park
MOEA	Ministry of Economic Affairs
MOI	Ministry of Interior
NCDP	National Comprehensive Development Plan
NSC	National Science Committee
RPC	Regional Planning Committee
STSP	South Taiwan Science Park
TSC	Taiwan Sugar Corporation
TSP	Tainan Science Park
UDB	Urban Development Bureau
UPC	Urban Planning Committee
WEF	World Economic Forum
WRA	Water Resources Agency

Chapter One Introduction

1.1 Policy Coordination in Taiwanese Planning

1.1.1 The coordination issues in planning

Policy coordination has gradually been put at the centre of the study of governance because of the attention paid to policy fragmentation, which has mainly resulted from the effect of departmentalism. That is because the increasing complexity of the governance of society leads to more divisions and departments in order to deal with specific affairs, and since each individual department has its own concerns, departmentalism has therefore appeared. Departmentalism results in a fragmented structure or authority and makes intergovernmental coordination less possible (Agranoff, 1988, p.540). The need for coordination is therefore found when the collective effort is not obtained (Lam, 2005, p.634). In brief, as long as there is a need for cooperation between agencies, issues of coordination will be important.

Planning is thought of as an activity highly dependent on coordinative actions (Healey, 1997a; 1997b), since the plan making is located within a series of alliances and networks of governance activities, where networks may be understood as complex sets of social relations (Hillier, 2000, p.33). As a result of that context, it is argued the planning process is rooted in the coordination across sectors and participants.

Coordination issues have many facets and descriptions. For instance, applied to the governmental structure, coordination may be regarded as 'joined-up' government, and

with regard to planning, it may be viewed as integrated planning. Although all these implications stress coordinative actions, their focus is different according to the context. Some theories about coordination will be introduced in Section 2.2 and relevant issues with reference to policy coordination in Taiwan will be revealed in Section 3.5. This thesis will then explore the operation of policy coordination in the case study chapters (see Chapters Five to Seven).

1.1.2 Land use planning in the developmental state

It is argued that after the Second World War until the early 1980s, Taiwan had adopted a clear developmental state strategy which regarded economic growth as the state's priority policy and it was the responsibility of all other sectors to support economic planning (Chang, J-S., 1988). In the context of the developmental state, urban and regional plans are seen as basic infrastructures serving the construction of economic planning (Ibid.).

The developmental state strategy was adopted also in the 1990s when the impact of economic globalisation affected the role of the state in economic development and Taiwan's economy was inevitably affected (Lee, Lan, and Juang, 2005, p.87). Some even argue that the Taiwanese government focuses solely on economic policy and the remaining sectors were neglected, even though there were relevant orders and plans (Hsia, 1993).

The dominance of economic planning has also been reflected in the National Comprehensive Development Plan (NCDP) drawn in the middle 1990s and the Challenge 2008- National Development Plan (CEPD, 1996; 2002). Both Development Plans highlight the government's concerns, mainly relating to economic development.

and illustrate the function of land use planning as an instrument to achieve the stated goals. It implies that even in the new century, centralised planning and developmental state strategy still shape land use planning in Taiwan (Lee, Lan, and Juang, 2005).

The feature of state intervention in planning can be found ranging from local planning (e.g. the world city formation plan for Taipei City), to the state level development plan (e.g. the Asia-Pacific Regional Operations Centre) (Wang, J-H., 2004). Based on the concept of developmental state strategy adopted by the Taiwanese government over decades, such centralised planning power appeared in the land use planning system (Chou, T., 1997). Connected with the national economic development plan, the land use planning system in Taiwan therefore became an accessory offering economic development constructions necessary supports and land use planning policies. That is to say, regional plans and urban plans came to be seen as technical tools for the implementation of state developmental strategy (Sun, 1988).

1.1.3 The relationship between economic planning and land use planning sectors

With regard to the developmental state strategy adopted in Taiwan, economic development has been put at the centre of governmental policies. In such circumstance, a question is therefore generated regarding the relationship between economic planning and land use planning sectors.

There is not a lack of research on the coordination between governmental agencies in Taiwan, particularly the central-local government relation (see Chao, Y., 2002; Chi, C-C., 2004a; and Chiang, T-S., 2001). Some studies have examined vertical coordination related to land use planning from the perspective of intergovernmental management (see Chao, Y., 2003), while others have investigated the horizontal

coordination for economic competitiveness and pointed to the significance of reform of the planning administrative system (Chen, M-T., 1997), or even the establishment of cross-border planning agency, i.e. regional government (Chi, 2004a) and the reorganisation of local divisions (Chen, H-S., 2001).

In spite of the number of studies on intergovernmental relationships and cross-border integrated planning, few studies have focused on cross-sectoral policy coordination. This might result from the continuing adoption of the developmental state strategy in which the economic strategy has taken a priority over other policies in Taiwan over the decades, so that few doubt the domination of the economic planning sector (Chang, J-S., 1988). Due to the developmental state strategy, planning in Taiwan has been limited to activities relating to the allocation of land use and the making of land use plans (Hua, 1994), and as an instrument for economic development plan implementation (Chou, T., 1999). Such limitation has led to a lack of research on the relationship between land use planning and other sectoral planning (Kong, 2000).

However, the 1990s saw two significant changes of circumstance: the movement towards democratisation had a significant impact on Taiwan's politics (Lin, C-L., 2000) and economic globalisation impacted on the role of the state in economic development policy (Castells, 2000, p.334). These shifts have inevitably affected the policy making process and generated an interest in exploring the relationship between sectors in relation to land use planning. Given the first change since 1949 of central political power in 2000, when the Democratic Progressive Party (DPP) ended the Kuomintang's (KMT) half century rule, the impact of this institutional change on the operation of policy coordination is also another concern in this thesis.

1.2 The Scope and Focus of the Thesis

1.2.1 The motivation for conducting the study

As mentioned in Section 1.1.3, in spite of plenty of research investigating intergovernmental relationships, most accounts of coordination have focused on the redistribution of power between administrative bodies in terms of local government restructuring and the decentralisation of power. Such accounts stress cross-territory cooperation or the integration of governmental organisations (see Section 1.1.3). The scarcity of academic discussions in relation to cross-sectoral coordination and the lack of studies on the relationship between land use planning and other sectors provided the motivation for this thesis.

A series of institutional changes which took place through the 1990s, in particular the streamlining of Taiwan Provincial Government, and the first regime shift after the DPP won the 2000 Presidential Election Campaign also motivated this thesis. While the former event has led to a political power vacuum between central and local governments and affected the operation of regional planning (Chiang, T-S., 1999), the latter had an overall impact on all policy making processes, including the plan planning making process. The last decade witnessed institutional change in Taiwan's politics and it also stimulated a curiosity in the researcher to explore the impact of this change on the changing landscape of Taiwanese planning.

As result of such motivations, the emphasis of this study is on the practices of the plan making process and the relationships between actors/agencies during this process at regional level through which crosscutting policy will be coordinated. It also attempts to discover the impact of institutional change on policy coordination in relation to

land use planning.

1.2.2 The understanding of the policy making process and policy implementation

Policy coordination in relation to land use planning is the main concern of this thesis which intends to explore the relationship between economic planning and land use planning through an understanding of the policy making process.

It should be noted that the policy making process in this thesis in fact comprises both policy making and policy implementation. In other words, coordination undertaken in the plan making process and the implementation of policy are all taken into account in this thesis.

It has been argued that there is a difference between policy making and implementation. However, this implies the assumption of the existence of hierarchical relations between policy making and implementation, that is to say, policy making directs policy implementation. According to van Meter and van Horn (1975, p.445), policy implementation is *'those actions by public or private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy'*.

Nevertheless, today, policy making, including the plan making process, stresses the importance of negotiation and interaction, and policy implementation is therefore seen as a continuing part of the policy process, as indicated by Barrett (2004, p.253):

'It was argued implementation should be regarded as an integral and continuing part of the political policy process rather than an administrative follow-on, and seen as a policy-action dialectic involving negotiation and

bargaining between those seeking to put policy into effect and those upon whom action depends'.

The findings derived from the studies in this thesis confirm the above point and suggest that even policy makers find it difficult to separate the two parts, since they view policy making and implementation as a negotiation rather than a linear process (see Sections 5.7, 6.7 and 7.7). This fact proves that today it is difficult to separate policy making and implementation and indicates policy can be made through implementation.

With regard to the administrative or institutional feature, there has been a long history of strong bureaucratic administration in Chinese-culture society. It is argued the key factor determining policy coordination is neither organisation nor sector but bureaucracy (Cheng, T-J., 2005 p.90; see also Section 3.22). As a result of the characteristic culture, this thesis hence suggests that taking policy coordination during implementation into account benefits the exploration of relationships between sectors.

1.2.3 The employment of a neo-institutionalist perspective

This thesis employs the neo-institutional perspective as an approach to explore the operation of policy coordination in Taiwanese planning. The initial reason for adopting a neo-institutional approach is its contribution to 'bringing the state back in' (Evans, Rueschemeyer and Skocpol, 1985). As mentioned, Taiwan has adopted the developmental state strategy over decades, and points out that the state has played a considerable role in the plan making process. Due to the significance of state institutions in this process, the neo-institutionalist perspective is an appropriate approach to use to explore planning issues in Taiwan.

The broad definition offered by neo-institutionalism also benefits the research. Unlike traditional institutionalism, which mainly focuses on formal institutions, neo-institutionalism is a theory which focuses on developing a sociological view of institutions and the relationship between institutions. It not only recognises the effect of interactions between institutions but also admits the individual's influence on the institution he/she is within.

Recognition of the informal institutional elements, such as the social context and culture, is the strength of the neo-institutional approach and reinforces its suitability in a study stressing the embeddedness of institutions. It is argued that society comprises *'a web of interlocking networks of affiliation and interaction which are structured around a multiplicity of institutions, formal and informal'* (Amin and Hausner, 1997, p.10). Therefore, some emphasise the importance of networks within institutions and argue that *'networks are relational links through which people can obtain access to material resources, knowledge, and power'* (Hillier, 2000, p.35). The findings of the thesis confirm the importance of the personal network in the policy making process (see Section 8.3.3) consistent with findings reported by Healey (1998, p.62) and Hillier (2000, p.51).

Although some criticise the vague definition of the institutions in the neo-institutional approach (John, 1998), the thesis suggests it is just the broad definition adopted by this approach has in fact been useful for this study since it has enabled it to take more factors into account, i.e. the social context and political culture. Without a broad and flexible definition, this study may have neglected some valuable elements. Unlike other Western theories, neo-institutionalism leaves room for the researcher to identify

which factors should be taken into account and which elements should be identified as part of the institution. For the success of this thesis, which focuses on Taiwanese society which has been moulded by Confucianism thought and Chinese cultural practices, a flexible attitude is necessary to discover the underlying relationships beneath the formal planning structure.

1.2.4 The focus of the research

The relationship between different governmental sectors is the main interest of the study. It selected land use planning as the sector through which it explores policy coordination because the researcher was a planner in charge of the County Comprehensive Development Plan of Hualien County, Taiwan between 2001 and 2002 and has devoted many years to studying planning issues.

As result of the developmental state strategy, the economic planning sector has been seen as the predominant sector over decades and it has influenced the planning system in Taiwan (see Section 3.3.2). In addition, institutional change, i.e. the streamlining of Taiwan Provincial Government and regime shift, in the late 1990s is another interest of the study. Based on the neo-institutionalist perspective, such institutional change inevitably had an impact on the policy making process. The purpose of this thesis is therefore to discover the interactions between the land use planning and economic planning sectors through an exploration of policy coordination in three economic projects, and to evaluate the changes after 2000.

To accomplish the research purposes, several questions were generated which this study sought to answer: *'how does coordination operate between the land use planning and economic planning sectors?'*, *'how have roles changed in the planning*

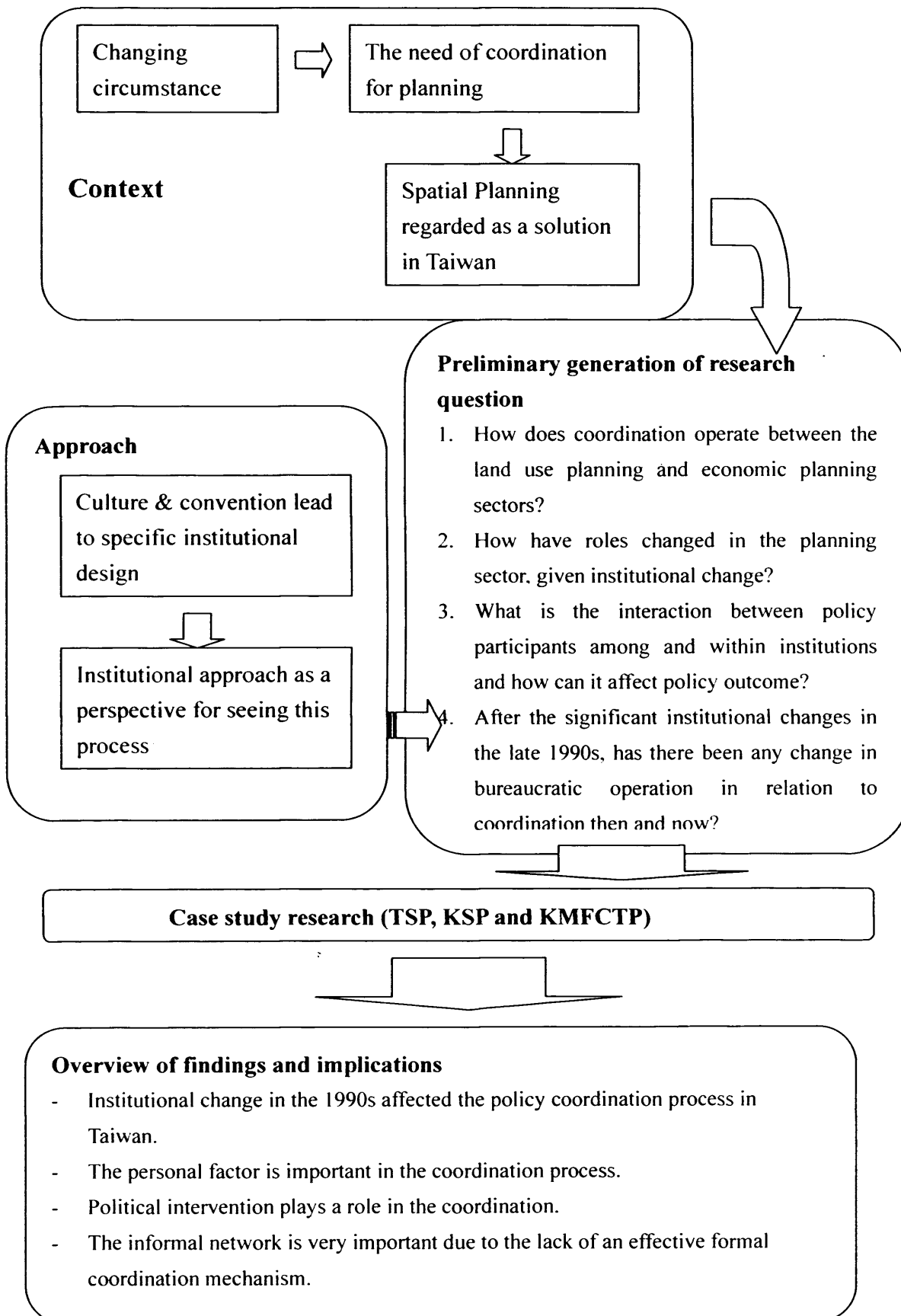
sector, given institutional change?’, ‘after the significant institutional changes in the late 1990s, has there been any change in bureaucratic operation in relation to coordination then and now’, and ‘what is the interaction between policy participants?’ The conceptual framework of the thesis is presented in Figure 1.1.

1.3 The Structure and Organisation of the Thesis

The thesis is concerned with the relationship between land use planning and economic planning sectors. While the operation of coordination is the primary focus of the thesis, the impact of institutional change on the plan making process is also an important concern.

In Chapter Two, there is a critical review of the academic literatures in relation to the neo-institutional approach and the coordination issue, while Chapter Three illustrates the planning context, and presents relevant research and debate in Taiwan. The two chapters will explain why the topic of coordination is valuable and will generate the research questions for this thesis. The research strategy and methods of data collection and analysis used in the study will be set out and discussed in Chapter Four. A case study approach using a snowball sampling strategy to identify key interviewees is explained and justified.

Figure 1.1 Conceptual Framework



Chapter Five, Six Seven present the three case studies and the results obtained from the field work and the findings of each case. The analysis of case studies revealed variety within cases and different approaches used by actors to achieve policy coordination. It is suggested that the differences might result from the context where individual case existed and the time when each project was undertaken. However, it is worth noting that despite the divergence found between the three cases, there were some similarities, for instance, the significance of informal networks and personal factors. A discussion and evaluation of findings will be presented in the final chapter.

Finally, the original contribution of the thesis is threefold:

- the discussion of the contemporary planning institution and tensions within them in Taiwan (Chapter Three)
- the exploration of how cross-sectoral coordination involving land use planning is actually achieved in Taiwan (Chapter Five to Chapter Eight)
- the examination of how much change there has been in cross-sectoral coordination given the institutional change in the 1990s (Chapter Five to Chapter Eight).

More discussions about the points above will be presented in the following chapters.

Chapter Two Policy Coordination in Relation to Land Use Planning

2.1 Introduction

In modern democratic states, political decisions are thought of as public matters which many individuals and groups can access. This has led to policy making processes involving complex interactions between policy advocates rather than monopoly political decisions. According to Luhmann (1982, xv, pp.253-5), we live in a 'centreless society' therefore it is impossible to view the government as a mono-centric or unitary unit since there are more groups involved in governmental activities at local, regional, national and even supra-national levels (Rhodes, 1997, p.3). As a result, the policy making process links many centres instead of political decision-making being completed merely within government. Hence, policy coordination plays a significant role during the process of generating policy outcomes.

This chapter aims to discuss policy coordination in relation to land use planning through a neo-institutionalist lens. Section 2.2 will demonstrate the importance of policy coordination in the planning process and specify the nature of policy coordination in land use planning. Section 2.3 suggests that in a response to the need for coordination, integrated planning has gradually come to be the focus of planning discourses. It will consider some of the European discussions of spatial planning and conclude that they underline the significance of understanding institutional dynamics. Some approaches to the analysis of land use planning will be introduced in Section

2.4, and the significance of the institutionalist method adopted in this research will be discussed in Section 2.5. The significance of culture and social context which affects the operation of planning coordination within institutions, will also be explored in Section 2.6. A broad conceptual framework for analysing policy coordination in relation to land use planning will emerge from the discussion.

2.2 The Issue of Policy Coordination, with Reference to Land Use Planning

To understand the issue of policy coordination, it is first necessary to identify what policy coordination is and why there is a need for it. Lam (2005, p.634) explained why coordination is needed as follows:

'Coordination is needed whenever the accomplishment of a task requires the collective effort of a group of actors. If not properly organized, rational individual actions could lead to aggregate outcomes that are not preferred by any of the actors.'

Applied to the administrative hierarchy, it implies that once there is a need for co-work between agencies within bureaucracy, coordination becomes important (Cheng, T-J, 2005, p.143) and problems can arise given the institutional design of bureaucracy in which members are within. An institution might be inclined to take actions which might not to be in the collective interest (Dixit and Skeath, 1999). Unfortunately, the behaviour of individual actors is often decided by their 'territoriality' (Cheng, T-J, 2005, p.144) and departmentalism replaces cooperation.

There is therefore the need for coordination between departments.

Policy coordination in relation to land use planning leads to discussions about reciprocity among actors within the land use planning system. Planning decisions are usually made by many agents and agencies, hence, some argue that *'without coordination these agents and agencies might all have different and potentially conflicting objectives resulting in chaos and inefficiency'* (Thompson et al., 1991, p.3). Accordingly Hillier (2000, p.33) states that plan making is located within a series of alliances and networks of governance activities in which networks may be understood as complex sets of social relations.

Healey (1997a; 1997b), indicates that such relationships, or their 'inter-relational capacity', are affected by actors negotiating and negotiating rules and procedures in the planning process, and their different discourses and power relations. This implies planning per se is an activity highly dependent on coordinated actions. As differentiation of independence and differentiation of interests increase, there is inevitably the need for a more integrated plan making process.

Though the importance of policy coordination is widely accepted, it is not easy to specify precisely. However, with regard to land use planning, there are several theories which have been put forward to understand the issue of coordination from different angles, notably theories about intergovernmental relations, governance and networks.

2.2.1 Intergovernmental relations (IGR)

In brief, the term 'intergovernmental relations' (IGR), means the interactions between

government units of all types and levels (Rhodes, 1981, p.76). Gage and Mandell (1990) state that intergovernmental relationships are like networks where managers play a role as intermediaries to coordinate and connect. The concept is based on multi-coordination and individual agencies which are equal and shares power. Coordination rather than authority is the linkage in such network and is used widely to explore the relationship between central and local governments (Rhodes, 1997, p.7). IGR refer to all governmental activities, official actions and attitudes, regular interactions and policy issues within government structure. Wright (1974, p.4) argues that IGR stresses the *'multiple, behavioural, continuous and dynamic exchanges occurring between various officials in the political system'*. According to his definition, the network of IGR is, in fact, much broader than central-local relations and can be extended to cover policy coordination and multi-level governmental relations.

However, in spite of the broad application of the concept of IGR, it has a weakness for policy studies. While the concept highlights the interdependence between levels and types of governments, it seems to ignore the basis for this interdependence. In other words, it refers to but does not explain the relationship. Benson (1982, p.148), based in an intergovernmental view, points out that groups and complex organisations are linked to each other due to interdependent resources. Also, administrative structures and interest groups will attempt to cooperate to ensure their own policy needs and preferences are met and to exclude those of others.

Nevertheless, the concept of IGR is relevant for exploring the interactions between government officials in charge of governmental service delivery, although, the source of service delivery is divergent today because of the development of privatisation

resulting from neo-liberalism. Thus the government is currently not the only one to provide public services, since, in many aspects, its role has been replaced by the involvement of private and voluntary sectors (Rhodes, 1992).

However, for the study of policy coordination, the concept of IGR can be regarded as a 'starting-point' since public services (Rhodes, 1997, p.7-8), such as planning still relies on intergovernmental networks for their delivery. Notwithstanding it is necessary to go beyond intergovernmental networks to explore how and why the policy-making process operates.

2.2.2 Governance

Governance has arisen as an important concept in order to respond to the phenomena of fragmented policy-making process and multi-layer participant networks. There are various definitions of governance found in many fields. The UNDP (United Nations Development Programme) policy document, 'Governance for Sustainable Human Development', presents a multi-dimensional definition of governance:

'UNDP defines governance as the exercise of political, economic and administrative authority in the management of a country's affairs at all levels. Governance comprises the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences and exercise their legal rights and obligations.' (UNDP, 1997, <http://mirror.undp.org/magnet/policy/summary.htm>, accessed 17th Oct 2005)

According to the UNDP's explanation, governance comprises three legs: economic, political and administrative. While economic activities improve the quality of life,

political governance is the process of decision-making to formulate policy, and administrative governance is the system of policy implementation. Good governance is completed only if it can encompass all three and define the processes and structures that guide political and socio-economic relationships (Ibid, <http://mirror.undp.org/magnet/policy/chapter1.htm>). For good governance, consensus orientation, that mediates differing interests to reach a broad consensus on what is in the best interests of the group, and effectiveness and efficiency that meet needs while making the best use of resources are essential, and these will only exist in implementation if there is policy coordination. In other words, policy coordination is at least one of, if not the most, significant element to good governance.

In addition, governance theory points out the disadvantages of a hierarchical structure. Traditional governmental hierarchy relies on authority and layer control which inevitably results in difficulties for policy implementation and integration (Chang, S-M., 1998) and would gradually lead to unbalanced power relationships, disconnection and incapable administrative processes. At the same time, fragmented structure or authority and departmentalism make intergovernmental coordination less achievable (Agranoff, 1988, p.540). Once conflicts within government arise, intergovernmental disconnection and policy fragmentation emerge. Accordingly, how to manage intergovernmental relations becomes a concern for good governance.

The concept of governance has had a significant impact on traditional planning in Taiwan. Chou, T. (2004, p.205) defines the difference between government and governance as the former is operated only in official institutions whilst the latter is embedded in the '*social context and local milieu*'. The trend of 'from government to governance' has influenced the nature of planning and led to the development of the

discourses of social capital and cultural context (Liau, 2005). A broad definition of institutions is already adopted in those studies to explore what and how the planning process operates. Accordingly, the neo-institutionalist is therefore employed to investigate the informal institution elements of institutions within the planning system.

Institutionalism is becoming increasingly important in the planning discourses since more academics point to the significance of relationships in governance. For instance, Vigar et al. (2000, p.34) states the '*significance of various relationships which those involved in governance bring to policy processes, both within and beyond the formal agencies where they work*'. In other words, there is a need for a more inclusive planning process to coordinate both formal and formal agencies, and private and public sectors in order to achieve good governance.

2.2.3 Networks

As well as from intergovernmental relations and governance, there is another element that should not be ignored in the issue of coordination. While many have emphasised the relationship between actors in the formal planning processes, Hillier (2000, p.33) points out that the networks and channels outside of the formal planning processes are also worthy of mention. She states:

'Actors (both officers of governance, such as planners, and private-sector groups and individuals) may take direct action and lobby elected members or chain themselves to trees or bulldozers, for example. The energies and power of these networks may influence planning decision-making in ways which may never formally enter the public domain, may never be publicly expressed, visible, or

recorded. They are unlikely to be normalised into a rational, communicative, consensus-seeking debate.'

Hillier thus argues that informal networks matter since they are inter-mediators in governmental operations. They not only define the roles of actors and the issues but also privilege certain interests, including preferred policy outcomes (Marsh and Smith, 1995). All discussions related to policy coordination, such as the links between structure, network and actors and formal or informal interactions between central departments, inevitably focus on policy networks. Therefore to identify '*how power is exercised in modern politics and who benefits from its exercise*', it is necessary to consider the policy network (Rhodes, 1997, p.10).

Policy network research has been also very popular in the public policy study in Taiwan for many years. The most significant reason is that policy network research offers an ideal way to interpret the complexity of policy-making in such a pluralistic society (Tsao, J-H., 2003, p.205-221). According to Lin, Y-H.'s (2002) study on policy networks in Taiwan, there are three characteristics of the relationship between groups and government in a policy network. First, there must be interdependence since each participant needs others to attain their goal (Benson, 1982). Second, the policy network contains many participants and no individual can determine others' strategies and actions. However, it is not necessary that each member in the network has equal power and resources (Scharpf, 1978). Third, institutions matter to policy networks since networks are comprised of relationships and interactions between members and rules and regulations ensure their operation and support (Benson, 1982; Rhodes, 1988).

On the other hand, networks are not necessarily based on a formal structure. Lu (2003, p.164) explains that in a policy network, the policy-making process can be operated without a hierarchical authority, and policy coordination is made by bargaining among powers. Policy networks provide a better framework for resolving some particularly difficult issues (see Lu, 2003). In addition, a policy network can be distinguished by the number of its members, its function and the distribution of power (van Waarden, 1992). Notwithstanding, whatever the kind of policy network, policy will not be effective without the legitimate process. If coordination is not produced during the policy formulating stage, it will necessarily be transferred to the more political stage for policy legitimacy (Wu, D., 2003).

As policy coordination is a central issue in the thesis, theories about intergovernmental relations and governance and related discourses are relevant to the topic. The role of actors and the functions of organisations are also important considerations in policy coordination. Without an understanding of personal networks, it is difficult to uncover the reciprocity among actors within institutions. As this research focuses on policy coordination from the neo-institutionalist perspective, an exploration of networks present a channel through which to investigate policy coordination in depth.

2.3 The Need for Coordination in Planning: Spatial Planning as an Answer to Policy Coordination

2.3.1 The rise of spatial planning

In the 1980s, Europe experienced a retreat from strategic planning caused by the

dominant neo-conservative approaches to planning and post-modern scepticism, both of which tend to see planning progress as something unpredictable which cannot be planned (Healey, 1997b). As a result, urban and regional planning then stressed land-use regulations and projects (Motte, 1994), and this was reflected in the revival of rundown sections of cities and regions (Friedman, 2004, p. 64).

However, in the context of growing socio-political complexity, such as the increasing strength of the movement for sustainable development, a growing concern for rapid and apparently random development, the problems of fragmented planning, the dramatic increase in interest in relation to environmental issues (Ibid., p. 64), and the renewed emphasis on the need for long-term thinking (Newman & Thornley, 1996), planning discourses expanded. This expansion resulted in the call for a more strategic approach, and spatial planning, as a framework for cities and regions. Strategic spatial planning was eventually introduced to the European planning agenda in the 1990s (Albrechts et al., 2001; Salet and Faludi, 2000).

Albrechts et al. (2003, p.113) pointed to the significance of strategic planning in the European experience as follows:

'Strategic frameworks and visions for territorial development, with an emphasis on place qualities and the spatial impacts and integration of investments, complement and provide a context for specific development projects.'

According to the description above, spatial planning is thought of as an implementation of strategic planning in a specific territory. Thompson, R. (2000, pp. 127–128) expands on this thought:

'[spatial planning] calls for the strategic management of spaces or territories in ways which organize land uses with a wider regard for the balance between developmental and environmental objectives. It implies a more cross-sectoral and longer-term approach than 'town planning'.

Allmendinger (2003) indicates that the shift towards a more cross-sectoral and long-term planning approach has passed through two stages. On the one hand, there has been a call for new and more effective mechanisms of economic governance which suggests that priority should be given to *'institutions, process and scale of development planning that focuses upon the "region"'*, and on the other hand, an emphasis on planning integration or a spatial strategy has been associated with the call of governance therefore *'coordinating and integrating the processes, institutions, plans and strategies of public and (to a lesser degree) private bodies, is seen as contributing to the effectiveness of economic governance'*. He then stresses again the significant role of the region in the planning discourse to integrate local planning needs and coordinate cross-sectoral policies though he agrees the recognition of a region is still divergent.

2.3.2 Spatial planning for policy coordination

In spite of the vagueness of the definition of spatial planning, Nadin has identified five interconnected themes in the spatial planning approach (2007, p.53):

- *to focus on spatial development outcomes and make more effective use of the planning system to help achieve the goals of other sectors;*

- *to influence and integrate the delivery of spatial policy - the spatial impact of other sectoral policy - the spatial impacts of other sectoral policies;*
- *to inject a spatial or territorial dimension into sectoral strategies and policy;*
- *to create new policy communities that reflect the realities of spatial development and its drivers;*
- *to use planning as a learning process - promoting understanding and argument in a collaborative political process.*

The above themes illustrate the wide extent of spatial planning, and imply that it is viewed as a mechanism for a more coordinated and integrated strategy as a whole. Nadin (2007) also identified policy integration as a common theme in all the above, though this theme is not a new concept since there has been comprehensive rational planning.

Referring to British experience of spatial planning, Nadin (2007) drew attention to two approaches for planning integration: the creation of formal policy statements as a spatial planning framework and the application of existing principles in relation to spatial planning (Ibid). The main difference between the two approaches is whether there is a need for a formal framework for spatial planning: while the former argues the strength of a spatial framework, the latter suggests the coordination of existing rules and roles may work as properly as a framework.

The first approach, the concept of creating a formal framework for spatial planning, has been welcomed by several professional academies, for instance; a report, 'The UK Spatial Planning Framework', released by the Royal Town Planning Institute argues that a guidance approach *'allows for inter-sectoral and macro-economic coordination,*

essential for tackling complex problems' (Wong et al., 2000, p.109); none the less, the latter approach, the application of existing principles approach, suggests the coordination of existing rules and roles may work properly as a framework, as in an action-network (Carley and Christie, 1998). Such an approach is a more flexible option based on a milieu of mutual learning and collaborative work although it depends on *'how far collaborative and synergistic actions are "owned" by many stake-holders*' (Wong et al., 2000, p.110).

Although there are diverging recognitions of spatial planning, many recognise the significant roles of governmental activities, since spatial planning is somewhat a form of governmental intervention interwoven with political and economic developments (Jorgenson, 1998, p.11). Its evolution is seen as an outcome of the development of nation state and welfare state policies. since planning is often seen as a tool to promote state modernisation (Vigar et al., 2000, p.8). If spatial planning was to play a role in national development, it is the land use planning system through which state policies would be delivered. Nadin (2007, p.56) emphasised the significance of land use planning and stated *'the statutory nature of land use planning to deliver infrastructure and public service through planning process is a positive inducement to policy coordination*'. This recognition implies a linkage between land use planning and spatial planning. As Harris et al. (2002, p.555) has indicated, town and country planning is still a significant and central element of spatial planning which is the usual method used by the public sector popularly to offer *'a wider, principally governmental, activity*' to shape the future landscape in a space.

Since spatial planning was introduced to facilitate territorial governance and policy coordination, it is expected to create more coordinative planning and establish

linkages between actors, to balance demands for development with the need to protect the environment, and to achieve social and economic objectives. The European Commission (1997) referred to spatial planning as:

'Spatial planning embraces measures to co-ordinate the spatial impacts of other sector policies, to achieve a more even distribution of economic development between regions than would otherwise be created by market forces, and to regulate the conversion of land and property uses' (European Commission, 1997, p.24).

Meanwhile in its 'New Vision for Planning' (www.rtpi.org.uk), the Royal Town Planning Institute (RTPI) advocates the need of spatial framework for the planning in the UK and briefly describes strategic spatial planning as:

'At its simplest, strategic planning is a systematic, integrated approach to policy-making taking full account of context, resources and the long term, while regional planning occurs between local and national levels' (Dimitriou and Thompson, 2007, p.29).

Similarly, the Town and Country Planning Association (TCPA) states:

'...strategic planning is increasingly becoming more comprehensive and inclusive, and it is no longer possible or desirable to separate out land use planning from other associated strategic activities and systems of implementation' (TCPA, 2003).

Thus, the concept of spatial planning recognises that major developments affect the quality of place and there cannot be an appropriate strategic plan without an understanding and vision 'across a whole range of social, environmental, and economic issues that go far beyond the considerations of conventional land use planning, and taking a comprehensive and integrated approach over long time horizons.' In other words, one of the aims of spatial planning is to ensure effective and coordinated thinking and action across the full range of sectoral and departmental concerns.

Notwithstanding, some still questions whether strategic planning is about coordination (Bryson and Roering, 1996). Moreover, some argue that coordination is not the main purpose of strategic planning:

'...the intent is not to fully integrate strategies across levels and functions, but to deal with important issues as they arise, or can be expected to arise, albeit while taking into account the need to co-ordinate in a reasonable way with entities and events elsewhere' (Friedman, 2004, p.58).

However, the fact is, with regard to the need for policy coordination, that national and regional planning policy in many European countries now attempts to embrace spatial planning as a 'strategic coordinating mechanism' rather than a strict statutory land use activity (Tewdwr-Jones et al., 2000, p.666). Thus spatial planning is seen as a mechanism for strategic coordination in relation to land use planning.

Accordingly, compared to land use planning, which is based on the regulation and control of land, spatial planning features include wide ranging crosscutting

coordination to ensure the appropriate land use in a sustainable approach. At the same time, when conducting spatial planning, relevant factors, for instance economic development, environmental protection, even employment, education and so on, are taken into account in producing a decision that is more conducive to sustainable development.

2.3.3 The implementation of integrated planning

There is, of course, the question as to what extent spatial planning can do anything for integrated planning. Although it is believed there are advantages of spatial planning for coordination, Healey (2001, p. 267) reminds us that spatial planning, in the UK case, may lead to less sectoral and more centralised planning than the planning model in the past. In other words, spatial planning may sometimes be a more centralised approach. As Harris and Hooper (2004, p.151) points out:

'...there is a potential danger that strategic co-ordination of spatially relevant forms of sectoral planning could result in merely a new form of comprehensive planning, unless it also embraces the reconceptualization of both space and planning at the heart of recent debates on spatial planning.'

There is no consensus as to whether a national spatial framework should be developed by central government for the coordination of regional and local policy (Wong et al., 2000; Stead and Nadin, 1999). Stead and Nadin (1999, p.357) welcomed such a framework, nevertheless, they point to the need for there to be more requirements for coordination at state level. However, Nadin (2007, p.56) questioned the benefit of comprehensive policy integration and stated the advantages of sectoral work. He stated:

'Separating out government activity into sector is an inevitable and beneficial approach to government. It allows specification and concentrated pursuit of more detailed objectives and it encourages beneficial competition among sectors. This is why the sectoral organisation of policy making is relatively robust.'

His statement implies that town and country planning per se is also one of the sectors! However, at a practical level, according to Harris and Hooper (2004, p.150), the desire for horizontal integration of public policy, or joined-up government, has driven the concept of spatial planning. Referring to the Welsh experience, they argue that the development of a spatial planning instrument, such as the Wales Spatial Plan, can help to facilitate policy coordination across a wide range of sectors. Public policy can therefore benefit not only from being developed in a more 'joined-up' manner, but also from injection of a spatial dimension into the process of integrated policy development. Progress in practice, however, remains patchy (Harris and Thomas, 2008).

To summarise, spatial planning means that policy activity in a certain space and place should be more integrated and coordinated. It is more like an exercise in networking which concerns the quality of place than a single technical tool dealing with land use planning (Healey, 1997b). The key to spatial planning appears to be getting the institution/organisation involved to work in appropriate ways.

The aim of the thesis is to explore and to analyse the institutional design for integrated planning activities since the institutional approach offers the possibility of looking at

the operation of policy coordination in relation to planning and ascertaining if the current mechanism is capable of problem solving. The rise of spatial planning in respect to the need for planning coordination just proves the significance of the institution in planning discourses.

2.4 Analysing the Land Use Planning Process

The planning process, as a kind of policy-making process, is various, complex and cannot be simply identified as any single event or policy outcome. As the planning process is viewed as a series of decision-making activities, to analyse the land use planning process, it is necessary to explore how policy making works. In other words, it is necessary to explain the roles and activities of each element within it.

2.4.1 The reinvention of planning issues

The land use planning process is sometimes seen as a process of regularisation since plans made are more or less social regulations. The meaning of 'regulation', from its origins in French usage, is *'the systematic patterning of practices through which the state shapes processes of capitalist accumulation'* (Vigar et al., 2000, p.40). The term does not specifically mean the 'regulatory form' of a policy system or legal power, rather, it more widely refers to changes in the patterns of capitalist production process (Painter, 1995; Le Gales, 1998). Such changes have influenced the meaning of regulation which today refers to the formation of institutions in governance, while the term 'governance' includes governmental actions and collective coordination with governmental bodies and the private sector.

Painter (1995, pp.278-279) interprets the mode of regulation as:

'...the set of social, cultural and political supports which promote the compatibility between production and consumption in the regime of accumulation. These supports operate through particular norms, networks and institutions which are the outcomes of social and political conflicts.'

As a result, Vigar et al. (2000, p.21-22) concludes:

'The distribution of formal responsibilities within planning systems has an important structuring effect on planning practices, specifying in legal terms who has the power to use the different tools, to change the tools and oversee others in their use'.

Cullingworth (1993) points out that this kind of distribution crosses levels of governance, and may include both public and private sectors. However, it is worth noting that this pattern may vary over different countries.

In Europe, a new planning discourse is developing in which there is a rediscovery of place and territory (Vigar et al., 2000). This is due to economic globalisation and neo-liberalism, both of which have resulted in the reduced significance of the welfare state as a model for service delivery. Generally, it is believed the rise of spatial planning and the rediscovery of place and territory are due to economic globalisation impacting on the welfare state as an institutional design for service delivery. In these circumstances, the role of the nation state is being challenged by global competition. Moreover, the focus of service delivery has gradually shifted from central government

to the locality.

Both changes have had a big impact on governmental structures, especially those that have traditionally been highly centralised as in the UK (Rhodes, 1988). The result has been less effective service delivery along with fragmented policy outcomes. Against this background, many stress the need for horizontal integration for territorial development. due to distrust in the vertical hierarchy and the increasing attention paid to establishing a policy framework for policy coordination. Regionalism and localism have begun to challenge centralised state power since the 1990s onwards (Bradbury and Mawson, 1997).

While the role of state in economic policy has decreased, there has been a rise in local involvement in regional economic developments, and individual networks have become more active in the policy-making process. Therefore, at the sub-national level, policy concerns have switched to regional and local governance and the capacity to coordinate policy diversity to develop strategies taking account of economic development, sustainability and well-being so on (Vigar et al., 2000, p.8).

2.4.2 Approaches to analysing the planning process

In this research, the approach to analyse the planning process is intended to sharpen the analysis of planning by examining the relationship between actors which interact, cooperate or compete in the planning process. However, it is never easy to decide upon an analytical approach, since not only relevant sectors vary as a result of the instruments and resources available, but also the planning process consists of crosscutting interactive communications. Given the difficulty of carrying out policy process research, many studies are purely descriptive and researchers simply map all

the relationships and roles of related organisations and individuals and then turn the insights gained into a picture for their readers to view (Hudson and Lowe, 2004).

Although there are many planning process theories, any analytical approach chosen should incorporate insights from successful policy research. Any analysis of the planning process, as mentioned above, should attempt to ascertain how planning process works and what the relationships are within it. According to John's words (1998, p.15), there are broadly five political science approaches or theories that can explain how policy is made and implemented:

1. Institutional approach;
2. Group and network approach;
3. Socio-economic approach;
4. Rational choice theory;
5. Ideal-based approach;

Each approach or theory offers its explanation of different sectors and interprets the reasons for policy change. However, this thesis does not intend to discuss in detail rehearse the recognised strength and weakness of each approach for policy making analysis (see, e.g. John, 1998), rather, its aim is to explore the potential of a broadly institutional approach for understanding planning in Taiwan, with particular reference to policy coordination.

Importantly, the institutional approach, among John's five approaches above, is strong in relation to the constraints that actors face, the norms and habits of policy making in different policy systems and subsystems. As John (1998, p.63) points out: *'good*

institutional analysis recognizes that institutions are constraints and that they vary across space and time. It is argued that the rules and norms are key features of policy making, and the institutions, the arenas in which policy-making take place, affect policy outcomes. The definition of institutions here includes all significant elements in the political system, for instance, organisations, laws, norms and rules. Institutional approach argues that institutions define how a political system works. It is difficult to deny this since, institutional subjects, such as the rules, organisations, norms and so on, take the central place in political science (John, 1998, p.38).

Leftwich (1984, p.16) points out that there are two traditional focuses in this discipline: the study of institutions of government and the study of political thought. However, political institutions are one of the pillars of the discipline of politics (Ibid.). As Eckstein (1963, pp.10-11) indicates:

'... If there is any subject matter at all which political scientists can claim exclusively for their own, a subject matter that does not require acquisition of the analytical tools of sister-fields and that sustains their claim to autonomous existence, it is, of course, the formal-legal political structure.'

Due to its significance in policy making, government institution will be discussed in Chapter Three and applications of the neo-institutionalist approach will be revealed in the following chapters. For understanding of institutional theory, the sections below will introduce institutionalism and illustrate its significance.

2.5 The Significance of the Institutional Approach

2.5.1 Definition of institutions

Before discussing the significance of the institutional approach, it is worth identifying what an institution is. However, there is wide variation in how institutions are defined since there are many institutional forms and varying views on why institutions are held to matter. In fact, the justification of the definition of institutions used in a study is highly reliant on the research perspective taken by the researchers (Jessop, 2001, p.1214). For example, if the researcher adopts a broad definition of institutions, they can be interpreted as the culture, traditions and social norms of the context under investigation. If the researcher adopts a narrow definition, an institution may be understood as government and the legal system. Therefore, the understanding of institution is based on the viewpoint which a researcher takes and the interpretation can be various.

Hence it is not surprisingly that the view of institutionalism is vague and so is its definition. From the political science viewpoint, institutionalism is thought of as an approach that regards political parties as having some capacities to adapt to the external environment, but, on occasion, it also sees them as 'prisoners' of their own history as an institution'. Institutionalists analyse social phenomena through a party's history and believe the context determines the party's reaction today. Therefore, institutions can be rules that determine the decision-making process, as a result of this acknowledgement, both formal and informal elements, such as organisations, agents, norms and policy-making procedures, can be identified as institutions.

According to John (1998), institutions, including political organisations, laws and

rules, are the arena within which policy-making takes place and constrain how decision-makers behave (John, 1998, p.38). Not only do institutions distribute powers and responsibility between sectors, but also arrange obligations and coordinate conflicts between organisations.

With regard to its function in political operations, the institution plays a significant role in political science as a result of its function in defining how a political system operates, especially in the initial decision-making process. The importance of institutions in classic political theory work also strengthened their significance. However, despite their importance, public policy researchers highlighted the importance of rational planning or the role of groups rather than institutionalism. Institutions did not attract much attention from academics until the early 1980s when decision-making returned to the centre of political science (Ibid. p.39).

As a result of the institutional distribution of power and responsibilities in the political system, it is expected that there should be structural equilibrium between institutions whereby political purposes can be achieved. Therefore, legislatures, executives, bureaucracies and judiciaries are in charge of their own duties to reinforce both the effectiveness and legitimacy of government. In such a functionalist' view, institutions seem not to be independent from the policy-making process since they process demands from the political system and transfer them to policies (Easton, 1965). John (1998) described institutions as 'neutral transmission belts' transmitting political actions from the society to the executive and legislative authorities, which then deliver them to bureaucracies to return in the form of policies (John, 1998, p.39). Figure 2.1 shows the action institutions generate and the policy outcomes to society.

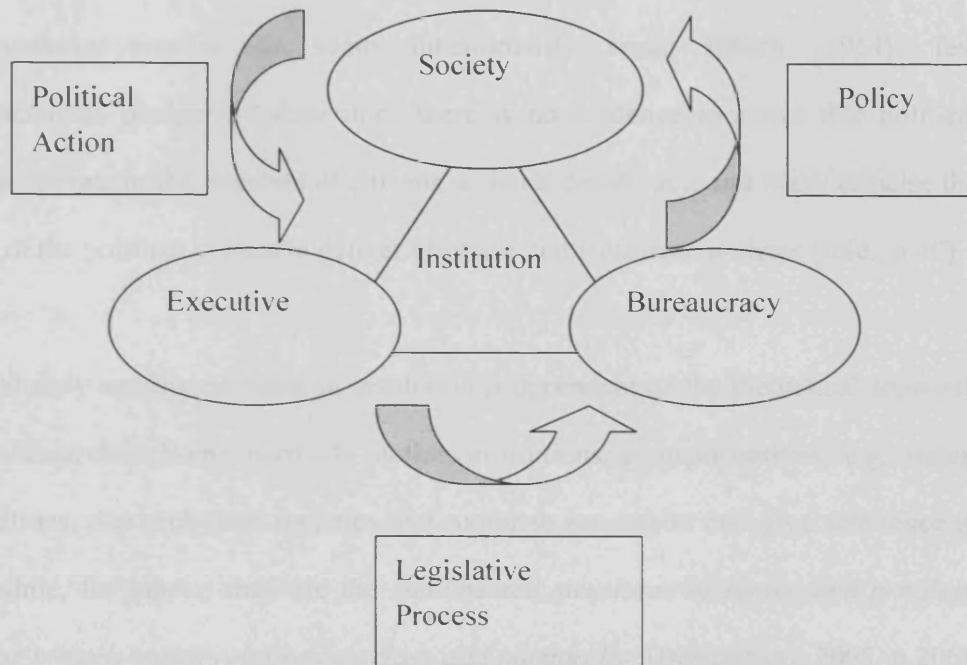


Figure 2.1 The Concept of the Institution in Functionalism

Source: Based on John (1998, chapter three)

Similarly, March and Olsen (1984, p.738) points out the significance of institutions in political democracy:

'Political democracy depends not only on economic and social conditions but also on the design of political institutions. The bureaucratic agency, the legislative committee, and the appellate court are arenas for contending social forces, but they are also collections of standard operating procedures and structures that define and defend interests. They are political actors in their own right.'

The description above indicated the role of political actors in institutions. In spite of the assumption by some functionalists that a proper division of power improves the policy-making process as some functionalists argue (Birch, 1964), few institutionalists pledge it today, since there is no evidence to prove that political systems operate in the interests of citizens within a democracy, and many criticise the failure of the political system to deliver effective and legitimate policies (Ibid., p.40).

As previously mentioned, what an institution is dependent on the theoretical approach of the researcher. Some narrowly define institutions as organisations, e.g. states, corporations, that arch over societies and comprise economies and give coherence to both, while, for others, they are the '*sedimented structures of power and privilege manifest in such social relations as class and patriarchy*' (Beauregard, 2005, p.206). However, for some, institutions are even thought of as those 'enduring beliefs and values', e.g. culture or national identity, which influence individual behaviours. The variety of definitions shows the complexity of institutions; moreover, '*even the categorization scheme leaves open numerous possibilities for interpreting what might be an enduring value (say, individualism) or an organizational form (say, civil society) in need of transformation*' (Beauregard, 2005, p.206).

The definition of the institutions in this study incorporates a somewhat meaning: not only organisations and agencies but also conventions, networks and culture can be seen as kinds of institutions. While a wider view is taken, this does not mean everything is included as an institution in this research. According to Searle (2005), an institution is thought of as '*any collectively accepted system of rules (procedures, practices) that enable us to create institutional facts*'. He interprets further:

'The creation of an institutional fact is, thus, the collective assignment of a status function. The typical point of the creation of institutional facts by assigning status functions is to create deontic powers... ..Once an institution becomes established, it then provides a structure within which one can create institutional facts' (Searle, 2005, p.10).

Searle points out that social recognition determines the existence of an institution. that is to say, without social consensus, acknowledgment, and acceptance of the deontic relationships, there would not be an institution. Accordingly, an occasional network or a contingent meeting cannot be regarded as an institution due to the lack of common cognition. However, once there is a tacit agreement and general perception, even an irregular party or intangible web of life could be thought of as an institution.

2.5.2 The significance of the institution in relation to policy studies

If the definition of institution is so vague, what is its significance in relation to social studies? Importantly, the institution is thought of as a collection of individual behaviour. Moreover, its feature of multi-dimensional roles also makes the institution a considerable factor in social research, as Hall (1986, p.19) explains:

'Institutional factors play two fundamental roles in this model. On one hand, the organisation of policy-making affects the degree of power that than any one set of actors has over the policy outcomes... On the other hand, organisational position also influences an actor's definition of its own interests, by establishing in his institutional responsibilities and relationships to the actors. In this way organisational factors affect both the degree of pressure an actor can bring to bear on policy and the likely direction of that pressure.'

The quotation illustrates institutional influences outside the formal institutions of government and thus takes a broader concern of the role of institutions located within society and the economy (Hall, 1986, p.20). It suggests, therefore, that the policy process has to be seen as an outcome consisting of several organisational contexts, i.e. 'norms, values, relationships, power structures and standard operating procedures' (Hill, 2005, p.81).

Even though most agree the institution is an important factor in social science studies, on occasion the institutional approach is not acknowledged explicitly. As Rhodes (1997, p. 63) points out, it is not easy to describe an approach to political study when

'... the people who practise it never discuss it. In other words, the focus on institutions was a matter of common sense, an obvious starting point for studying a country and, therefore, there was no need to justify it.'

Indeed, it is difficult to analyse institutions because we live within them and the ambiguous nature of institutionalism has led some to view institutionalism as '*fragile achievements, filamental and reversible accomplishments*' and to doubt the worth of the institutional approach in scientific research (Philo and Parr, 2000, p.518). On the other hand, the vague definition allows the institutional approach to be used by different theorists with various methodologies depends on their trajectory or location beforehand and the context in which institutions are said to matter. As a result, neo-institutionalists do not see institutions as fixed and irreversible. Moreover, since an institution is not a coherent or singular object, additional methods, for instance, actor-network and ethnomethodological methodologies, are helpful to explore its

'fluidity, heterogeneity, reversibility, and polyvalence' (Jessop, 2001, p.1219).

With regard to planning, institutions are also highlighted in relation to planning issues which have arisen over the last decade. For instance, a new discourse emphasising on 'economies of space' has gradually replaced the issue about 'space of economies'. Thus, the importance of the institutional design is placed at the centre of regional and local development (Sassen, 2001). Further, the concept of the institution is no longer narrowly confined to a physical structure; reversely it can include a robust social context such as a network, culture, tradition, governance, and localisation. These informal elements are referred to by some academics as 'social capital' (Groth, 2000).

Though some (Innes, 1995, p.140) have argued that 'planning is institutional design', Alexander (2005, p.210) suggests, *'planning often demands institutional design'*. Institutional design is in fact an integral and essential part of many planning and planning-related practices for the following reasons. First, the planning process itself is a kind of institutional design and, secondly, institutional design is the answer to how a policy or plan should be operated. Alexander therefore contends there is a requirement to create *'new inter-organizational linkages or transformation of existing networks, to concert the necessary decisions and actions among the involved organizations'* (Ibid.).

2.5.3 The traditional institutional approach to social study

According to Rhodes (1997, p.64), the traditional institutional approach is *descriptive, formal-legal and historical-comparative*. The *descriptive* approach describes what is happening in a temporary situation and is used as a tool to explore the panorama of institutions as a whole (Butler, 1958, p.48). Kavanagh (1991, p.482) identifies this

method as a systematic description with an emphasis on explanation and understanding rather than formulation. In short, there are two important meanings to descriptive-induction: first, the facts speak for themselves (which is criticised as 'secondary-even dangerous'). Second, through observation the truth of the situation will come to light (Landau, 1979, p.133).

Formal-legal inquiry has two emphases: the term, 'legal', refers to public law and the term, 'formal', refers to formal governmental organisations (Eckstein, 1979, p.2). This approach focuses on the study of written constitutional documents but extends beyond them. The term 'constitution' here is defined as 'the system of fundamental political institutions' (Finer, 1932, p.181). Formal-legal inquiry has been very influential at times and though it has less importance now, it remains a characteristic of the study of political institutions (Drewry, 1995).

Historical-comparative is also a classic method in the study of political institutions. It was used by Herman Finer, who did not employ a country-by-country approach but compared institution-with-institution across countries. He argues that such method is scientific since it explains objectively the why and wherefore of things through the survey of main political institutions in not only their legal form, but also in their operation (Finer, 1932). For Finer:

'The State is a human grouping in which rules a certain power-relationship between its individual and associated constituents. This power-relationship is embodied in political institutions' (Ibid., p.181).

A significant contribution of Finer is that he viewed political institutions as

instrumentalities and explored both the evolution of institutions and the operation occurring within (Rhodes, 1997, p.67).

The traditional institutional approach is descriptive and inductive and has attracted many critics related to its characteristics, particularly from American behaviouralists, the most influential of whom was David Easton. Easton argued for a systematic conceptual framework which could identify political variables and relationships. He found the study of political institutions could not explain policy, since it did not include all variables. Moreover, Easton stated that hyperfactualism of the institutional approach ignored 'the general framework within which these facts could acquire meaning' (Easton, 1971, p.75-89). Another behavioural scientist (Macridis, 1963, p.47-8) contended that historical-comparative study was '*excessively formalistic in its approach to political institutions*'. It was '*insensitive to the non-political determinants of political behaviour*', and was '*descriptive rather than problem-solving, or analytic in its method*'.

It is illustrated that the methodology of the study of political institutions attracted criticism. Behaviouralists claim that historical methods are not scientific because they stress individual cases and cannot generate systematic outcomes to structure the behaviour of governments. The formal-legal approach is inadequate because of '*the gap between the formal statements of the law and the practice of government*' (Blondel, 1976, pp.20-5, 68-72 and 127-8).

However, Rhodes' (1997, p.68-70) refutes such criticisms by arguing Macridis's criticisms cannot be applied to all institutional approaches, particular in respect to Herman Finer's achievement. Moreover, there is no perfect approach and

behaviouralism has its limits, too. Therefore, the institutional approach, as a research method, is not a big problem in itself and can be used as a scientific method with a systematic methodology.

Nevertheless, some criticisms do identify real weaknesses in the institutional approach as sometimes practised. For instance:

'Some early or classical approaches to politics... ...have overstated the formal nature of regular procedures and given insufficient weight to the less formal processes which themselves become institutionalised through repetition or duration over time' (Gould, 1987, p.291).

In spite of his criticism, Gould also recognises the positive contributions of the institutional approach:

'It does not ... follow that we can, or should, dispense with a concept that pinpoints regular processes or mechanisms for channelling certain activities, meeting certain recurrent challenges and contingencies and setting disagreements on and about the allocation of values- or indeed determining what the values are which will be allocated in a given territory in a specific era.'
(Ibid.).

In summary, an institutional approach that focuses on the constraints of institutions is still helpful but *'implicit assumptions must give way to an explicit theory within which to locate the study of institutions'* (Rhodes, 1997, p.71).

2.5.4 Neo-institutionalism and its critics

Compared to 'old' institutionalism, neo-institutionalism, a label which was given to the amalgamation of the traditional and behavioural school of political science in about 1970, is thought of as a theory focusing on developing a sociological view of institutions and the relationship between institutions. Neo-institutionalists stress the effect of interaction among institutions and argue it affects institutional activities and decisions. They recognise institutions operate within, and are shaped by an operating environment, and, in the meantime, they are also struggling to survive in it. Thus, for example, institutions are forced to operate more economically in society because they cannot exist if the transaction costs are greater than the benefits of the operational activities (Calvert, 1995, p.60).

In response to criticisms traditional institutionalism, the neo-institutionalist perspective, as a revised institutional approach, stresses rules and norms in institutions, and embodies '*cognitive and normative frames which construct "mental maps" and determine practices and behaviours*' (Surel, 2000, p.498). These organised contexts all operate within the terms of political discourse, which normally have a specific configuration where some elements are more dominant than others (Hall, 1993, p.289). Therefore, policy change only occurs as the ideological terms change.

Since the neo-institutional approach adopts a broad viewpoint on social research, the justifications for institutions can differ in differing circumstances. This therefore leads to a question: if institution might be changed by shifts in circumstances, what is the extent to which these shifts can be explained independently of other events? Hill concludes that 'there may be differences between nations and differences between policy subsystems, in the extent to which such changes occur' (Hill, 2005, p.85). This

is a limitation of the institutional perspective.

Commenting on the institutional approach, March and Olsen (1984, p.747) stated:

'...neo-institutionalism is probably better viewed as a search for alternative ideas that simplify the subtleties of empirical wisdom in a theoretically useful way...The institutionalism we have considered is neither a theory nor a coherent critique of one. It is simply an argument that the organisation of political life makes a difference'.

According to the above quotation, there are two problems with the neo-institutional approach. First, the institutional theory collects together a wide range of potential constraints and it is necessary to make distinctions between these constraints in order to explore what such constraints involved. Secondly, institutionalists stress norms and ideologies that imply *'today we are all institutionalists'* (Frederickson and Smith, 2003, p.69).

These problems, especially the second one, have been widely commented upon by sociologists. For example, John (1998, p.64) argues:

'The main problem with the neo-institutionalist approach is its definition of what counts as institutional. By incorporating values and norms as part of institutions, they include too many aspects of political life under one category. The resulting amalgam of processes appears to explain change under the rubric of institutions, but in reality it disguises the variety of interactions and causal mechanisms that occur between the contrasting elements of the political system'.

Further, he contends that '*...there is no institutional approach, institutions are just one factor constraining public policy choices*' (Ibid., p.65).

Based on John's assertions, neo-institutionalism may seem to offer little for policy process research since, as argued, the institution is just 'one' factor within the environment where many other elements exist. Many criticism of institutionalism is related to the weaknesses of the institutional approach for the conceptualisation of theory. It is therefore important in such research to clearly define the territory or boundary of an institution in order to make the conceptualisation of theory more acceptable and mitigate criticism.

As previously asserted, institutions do matter. The institutional approach, especially neo-institutionalism, remains a useful analytical method to understand the policy making process, especially if used sensitively and with acknowledgement of its limitations. The first significance of the neo-institutionalist approach is that of 'bringing the state back in' (Evans, Rueschemeyer and Skocpol, 1985), while 'old' institutionalism was countered by reasserting the importance of the state. During the 1950s and 1970s, there was a lack of the studies on state institutions although political science was very concerned with neo-liberalism. The neglect of state institutions in political science in these decades led to a lack of understanding of state functions. The rise of neo-institutionalism therefore filled a vacuum in political discourses. Whilst classic Marxist theory tended to see the state as a supporter of the capitalist system, pluralist theory viewed the state as a neutral institution where interest groups would compete to control (Hill, 2005, p.78). Neo-institutionalists regard the state as a structured system influencing and perhaps constraining action whereas it may be an

active entity with interests of its own or it may contain actors with potentially conflicting interests (Ibid.). As a result, planners are seen as one of the interest groups competing with or cooperating with other groups in a structured setting.

The second significance of neo-institutionalism is its improvement on the 'old' institutionalism, which has been criticised for its narrow perspective on structure. Neo-institutionalism takes individual cognitive element and institutional relationships into account. Different from the previous institutionalism theory, neo-institutionalism claims that actors in institutions can behave in 'irrational ways' (DiMaggio and Powell, 1991) and it seeks to include irrational variables as it is contended they influence ideology. That is to say, institutionalists, especially neo-institutionalists, attempt to take into account the effects of irrational variables since they believe ideological consensus represents an alternative for formal rules. Therefore, ideology becomes an alternative to formal rules. Neo-institutionalists use this approach to analyse market, economic, political and also public policy processes where institutional relations and individual behaviours are highlighted. Thus, neo-institutionalism looks at actual behaviour rather than only the formal rules, norms and structure of institutions.

Finally, neo-institutionalists argue that social outcomes, such as planning policy and environmental change, are the result of both broad structural processes and the active involvement of agents (Rydin, 1993, p.74). Accordingly, the institutional approach is therefore welcomed for the analysis of the interaction of agents and individuals within institutions in order to ascertain the relationships between actors. As mentioned previously, neo-institutionalists argue that the state is neutral institution, therefore, the planning system is here thought of as an arena where interest groups engage with each

other, sometimes competitively, sometimes not. The planning process, as a reallocation of resources, is inevitably the central concern for relevant interest groups. Thus, the relationships between groups, power and organisations becomes the highlights of neo-institutional theory.

Importantly, the neo-institutionalist perspective offers a critique of other approaches to policy analysis and provides opportunities for looking at similar policy processes in different institutional contexts. As result of these features, the neo-institutional approach is widely used to explore social policies in terms of planning decision and the planning process. Moreover, such approach points out the non-physical elements of the institutional environment and this is also one of its major contributions to social policy.

Though there are indeed some limitations to this approach, it can nevertheless be used to look at the relationships between vertical levels or horizontal sectors within policy making. For instance, while Beauregard (2005) questions the definition of institution as elusive; nevertheless, he cannot deny the neo-institutionalist argument, '*to act within an institution is also to act on it*' (Beauregard, 2005, p.206), and the very value of neo-institutionalism is its recognition of the significance of reciprocity between institutions and actors. Accordingly, this study adopts the neo-institutionalist perspective because it is a helpful approach to explore the role institutions play in the planning process.

It is also worth mentioning that the neo-institutionalist approach should be used only with an explicit theoretical context, and a systematic analysis framework. Based on scientific principles, though the neo-institutionalism is not perfect, it does offer an

opportunity to understand what happens within the policy-making process. Given the aforementioned reasons, the significances and contributions of the neo-institutional approach cannot be denied.

2.6 The Embeddedness of Institutions in the Social Context and Political Culture

2.6.1 The connection between the social context and institutions

Though most economically developed countries adopt a similar structure for state government, institutions embodying their own traditions, cultures and political contexts are still various since all formal structures and regulations inevitably affect how current political decisions are made. Therefore, an individual institution reflects such background factors, for instance, complex political behaviours and the policy making process that it inherits.

As a result of the fact that, the justification for the institutions relies on the social and cultural context of the society, it can be seen that history has played a significant role. Comparing institutions in the UK and USA, John (1998) points out that the legacy of a medieval governing system in the UK has implications for the practice of secrecy and closed decision-making. Older traditions and practices still remain to shape a less open democratic public policy-making process although the UK has had the procedures of a modern democracy in place for some time. On the other hand, the traditional American democracy embodying divided government and a more open policy-making process still operates everywhere in the USA (Ibid., p.41). In short, Dyson (1980) concludes that each country has its state traditions which are a mixture

of a culture's ideas and institutions.

This implies that institutions are influenced by their political environment and then adapt it. Thus, some contend that institutions have a self-adjustment mechanism to respond to changing circumstances whereas, others argue that institutions are potentially dysfunctional since they make wrong adjustments and are in a worse condition during social and political change (Linder and Peters, 1990).

Compared to traditional institutionalists, neo-institutionalists admit the influence of individual behaviour on formal institutions and realise that physical institutions and individuals interact with each other. The justification for institutions in neo-institutionalism hence offers a 'double-natured' core, the role of individual behaviour and the influence of social structure, which creates a dilemma, since on the one hand, the structure is important and it affects individual behaviour; while on the other hand, it cannot be denied that individual behaviour influences the structure (Lane and Ersson, 2000, p.24). Though neo-institutionalists agree that individual behaviour does indeed influence the institution within which it exists, they argue this fact does not affect the importance of embeddedness in the social context.

Some institutionalists also believe the formal procedure forms the policy process and under such condition, institutions set regulations and define the norms of the political system (Johnson, 1975). Such institutionalists generally believe an institution leads to a 'standard operating procedure' as a guideline for decision-making in each organisation. This explains why the institutional framework is thought to affect the policy-making process.

2.6.2 Different institutionalism schools of thought with reference to society and culture

Hall and Taylor (1998) identified three institutionalism 'schools of thought': the historical approach, the rational choice approach, and the sociological approach.

'Historical institutionalism' is a traditional approach stressing the significance of organisations and identifying institutions as *'systems of formal and informal rules, norms and practices in polities or political economies'*. Historical institutionalism provides *'a broad long-range perspective, focuses on path-dependency'* and provides *'a heightened awareness of unintended consequences'*.

Some may argue historical institutionalism is empirically based in history and political science, and oriented primarily to the institutional analysis. Accordingly, it is not relevant for normative institutional design (March and Olson, 1984, p.747). On the other hand, others believe historical institutionalists have produced the most powerful network to emerge from the new institutionalist school (Hudson and Lowe, 2004, p.149). Further, the historical institutional approach focuses on social and political context (Pierson, 2001).

'Rational choice institutionalism' is connected with institutional economics. It assumes that an actor's behaviour is rational and intends to keep fixed values and preferences. This approach emphasises *'the role of strategic information and behaviour in institutional emergence and change'* and it argues institutions originate from elaborate design and actors' agreement (Hall and Taylor, 1998).

'Sociological institutionalism' is rooted in organisation theory. As a result, it inherits

a perspective on institutional forms and procedures in organisations. Compared to the 'rational choice school', the sociological approach suggests that institutional forms and practices are embedded in a 'logic of social appropriateness' rather than 'a logic of instrumentality', and they are based on institutionalisation in organisations instead of strategic searches for maximum efficiency. This approach argues institutionalisation is a historic accumulation of cultural forms and social practices, hence it takes a broader view of institutions which can include 'symbolic systems, moral values and societal norms' (Hall and Taylor, 1998).

For some critics, rational choice institutionalism is seen as a more scientific approach. For instance, Hall and Taylor (1996) comment that rational choice neo-institutionalists provide comparatively robust thought based on a thin conception of rationality. In contrast, sociological and historical neo-institutionalists are less precise, especially when they explain the causal connections between institutions and individual behaviour. However Alexander (2005, p.209) argues that a blend of 'rational choice' and 'sociological institutionalism' offers a useful basis for institutional analysis and design, since the former provides useful models and rigorous analytical methods and tools, and the latter can complement these with a theoretical foundation for analysing and inferring individual and collective preferences and values.

Each approach has its strengths and weaknesses but there is a common principle which should always be applied according to Jessop (2001, p.1221):

'...it follows that institutional turns must always be specified in relation to specific institutional properties, specific issues, and specific alternative ways of

explaining the phenomenon in question'.

Although concepts relating to institutions can be imprecise, general and vague, with a cross and interwoven application, the institutional approach may offer an ideal approach to understand the workings of society. As Amin and Thrift (1995, pp101-102) contended that despite its limitation, the institutional approach help 'hold the key to understanding the workings of the global economy'.

2.6.3 The significance of social and cultural elements to the institutional approach

Two of the three institutional approaches, the historical and sociological approaches can make a significant contribution to the topic of this section, the embeddedness of institutions in the social context and political culture. Sometimes, institutions may be viewed as organisations or social bodies which are significant for society and have a quasi-corporate role of, for instance. 'legislative, executive, judicial branches of government; trans-national firms, banks, or the peak organisations of capital and labour; established religious faiths; and organisations more generally' (Jessop, 2001, p.1220).

But there is another distinction between institutions and organisations. While organisations are more '*programmed, prescriptive political and administrative forms*', institutions are '*customary, and sometimes informal rules of practice between groups and individuals*' (Storper, 1997, p.268). This distinction also reveals a noticeable feature of neo-institutionalism, i.e. it stresses informal elements rather than only formal structure.

For many neo-institutionalists who support a broader definition of institutions, there is indeed a strong link between institutions and culture. As mentioned in previous sections, the proposed definition of institutions depends largely on the respects in which they are held to matter. Thus it is inevitable that concepts of institutions are often vague, diffuse, and mutually inconsistent and may even naturalise and reify institutions in the same way that neo-classical or rational choice theorists tend to reify human motivations (Alexander, 2005).

As regards the intangible factors of institutions, i.e. culture and social context, many neo-institutionalists suggest these elements matter. Storper (1997, p.269) points to ‘a circular relationship between conventions and institutions’. He expresses this circular relationship as follows:

‘Institutions have a strong effect, by generating regularity and precedent, in the formation of conventions that people employ to cope with the persistent and pervasive uncertainty of their interactions with other people in the economy. But by the same token, formal organized institutions can only function successfully if the rules, procedures, incentives, and sanctions they establish are integrated into the conventions that guide people’s behaviour. ... Successful formal institutions, then, have a hard organizational side, and a “soft” conventional foundation’.

Even in the social science field, institutions tend to be regarded as social practices that are regularly and continuously repeated and connected to defined roles and social relations, ‘...that are sanctioned and maintained by social norms, and that have a major significance in the social structure’ (Jessop, 2001, p.1220). Examples of institutions in this sense include the family, religion, property, markets, the state,

education, sport, and medicine. Structuralists and regulation theorists sometimes use the concept of 'structural forms' to describe such institutions; other theorists have called them '*apparatuses*' or '*disposition*' (Alexander, 2005).

On the other hand, sociological institutionalism sees culture itself as a form of institution, since institutions give social life its meaning in the interactive and mutually constitutive relationship between institutions and actions (Hall and Taylor, 1998). Neo-institutionalists agree that institutions affect the environment and are also affected by the milieu to which they belong. Following this understanding, it is argued that all social elements and the cultural context interacting with institutions have roles in re-shaping institutions.

In addition, Amin and Thrift (1995) introduced the concept of institutional thickness based on the conflation of institution and organisation, since institutions are arenas in which various organisations compete with each other, cooperate to work, share information and develop mutual awareness. Accordingly, both formal and informal rules play roles within institutions, though there are still debates on the extent of the importance of informal and formal elements (Hall and Taylor, 1996). Discussions in previous sections indicate that the vagueness of definitions for institutions makes it difficult to draw a line between formal and informal institutions because there is no clearly defined boundary between them. Therefore the concern of neo-institutionalist is to look for an acceptable justification for institutions. This is also reflected in DiMaggio's new institutionalism which can be used to search for '*common ground around particular ideas and approaches to obdurate problems*' (DiMaggio, 1998, p.699).

In addition, an institutional change never occurs in a vacuum; that is to say, the remains of historical constraints will more or less influence the consequent institution (Shepsle, 1986). Ricker (1995, p.121) similarly contended that: '*... no institution is created de novo... in any new institution one should expect to see hangovers from the past.*' Therefore, since any existing institution has inherited a past legacy, the embeddedness of an institution in the social context and culture may be viewed as a key factor to the current institutional design.

To summarise, despite the lack of a clear definition of an institution, all institutional approaches imply that institutions matter or 'they would not have major social structural significance' (Jessop, 2001, p.1221). As a result, for a study seeking to adopt the neo-institutionalist perspective, the question which needs to be asked is: to what extent do institutions impact on ?

2.7 Conclusion

The first sections of this chapter showed that though there are limited academic works specifically mentioning policy coordination related to land use planning, there are many focusing on governance and intergovernmental relations which are relevant to the issue of coordination since they point to fragmented policy outcome and a need for integrated planning. The spatial planning concept as an answer to this requirement has received attention in the last decade.

As well as the increasing interest in spatial planning or coordinated policy making, there is a rediscovery of institutional design. Unlike the traditional institutionalism,

neo-institutionalism stresses not only structure but also informal norms such as culture and convention. This rectifies traditional institutionalism's neglect of individual behaviour and offers a panorama view of policy-making within institutions. However, there are criticisms of neo-institutionalism, including the argument that the definition of institution is too wide and still ambiguous.

However, this may not be a disadvantage in some social study cases since it leaves room for researchers to identify the constraints and scope of neo-institutionalism, thus making the institutional approach more flexible and cross-sector study easier. As well as its flexible application, the institutional approach not only offers the opportunity to provide an inclusive viewpoint of institutions and a better understanding of operations within institutions (Jessop, 2001, p.1218), some academics have demonstrated such approach to be a scientific research method (Storper, 1997, pp.268-270).

Due to the inclusive perspective of the institutional approach and its advantage of facilitating understanding informal norms and contexts, this thesis adopts a neo-institutionalist perspective to explore the policy coordination process, which is never a simple activity. The embeddedness of institutions is a primary concern of this thesis, which will endeavour to answer several research questions about the roles of institutions in policy coordination with reference to planning. Chapter Three focuses on policy coordination in relation to planning in Taiwan and presents the research questions formulated for this thesis to address.

Chapter Three Policy Coordination in Relation to Planning: The Taiwanese Case

This chapter will discuss policy coordination in Taiwan, especially that related to planning. It will also introduce the Taiwanese administrative framework and planning system to provide an understanding of Taiwanese planning as a whole.

In order, Sections 3.1 and 3.2 review governmental institutions and political culture which have affected policy operation and shaped the context of Taiwanese planning, while Sections 3.3 and 3.4 map the Taiwanese planning system as a whole, i.e. from national comprehensive plan at state level to local urban planning. Policy coordination as the focus of planning has been changing in response to globalisation and the democratic process, as will be illustrated in Sections 3.5 and 3.6. A short conclusion in Section 3.7 will finalise the research questions for the thesis. There is very little English language literature on these topics, and this chapter is, itself a contribution to planning knowledge.

3.1 Introduction

For many decades, Taiwan had been commonly regarded as an undemocratic country without an elected central government, and parliament, and public participation during policy making. Members of the Legislative Yuan, the parliament, were not re-elected for forty-four years after 1949, and only local mayors and representatives of local councils were allowed to be elected then. Democracy was not a main concern

in the centre of politics until the 1980s when social movements were booming and the voice for a more democratic government spread nationwide (Chiang, M-H., 2000). As Chao and Myers (1998, p.13) described:

The KMT's limited democracy under martial law was rarely praised, but Taiwan's economic development and social transformation became widely recognised and acknowledged... the KMT- dominated inhibited political center became even more inhibited by complex market processes and the rise of civil society, which encouraged an embryonic democratic process (Chao and Myers, 1998, p.13).

Due to the vigorous democratic movement, the social and political culture, which had been stable for many decades, became subject to a number of changes, such as the election of members to the parliament, a presidential election, and changes in organisational cultures within political party cultures. By the end of the twentieth century, as a result of the movement towards democratisation, two significant events had occurred in Taiwanese politics: the Taiwan Provincial Government had been 'streamlined' to become a political symbol only, and the first change in ruling party had occurred after the DPP's victory in the Presidential election in 2000. These two historic events have affected not only the governmental structure but also have changed the nature of political operation (Chao, Y., 2002).

The institutional changes have led to some new challenges to politics, society and administration. Chiang, M-H. (2000) points to four primary problems facing government as a result of the changing political context: the 'black-gold' or 'gold-power' culture; the centralised political power; regional disparities, and the

local administrative territory's inability to deal with local development needs. In this view, the 'Black-gold' problem particularly, is the toughest problem to address. The term originally meant the local political factions and interest cliques which engaged with politicians and government officials to use their governmental powers for illegitimate private gain (Chen, M-T., 2001). Some argues this problem has resulted from the process of democratisation: while political power relies on victory in the election campaign, the links between black (factions), gold (business) and power (bureaucracy) are thought to be closer than they should be and under-table relationship have become infamous features in the political culture of Taiwan (Ng, 1999). Today, the term 'black-gold' or ('gold-power') means not only the illegal linkage between political factions and interest cliques but also the situation where individuals and groups achieve their personal/political interests through their political relations (see Huang, D., 2003).

It is worth noticing that the planning system is the ideal market place for such business. The very close relationship between politicians and business has gradually destroyed public trust in governmental administration, though not every relationship is illegal. Further discussion of Taiwan's political context will be found in Section 3.2.

3.2 Taiwan: Governmental Institutions and Political Culture

3.2.1 Governmental institutions in relation to planning

The governmental institutions in Taiwan was transferred from the system in Mainland

China which was initially designed according to Sun Yat-Sen's¹ theory, *Three Principles of People*. The current planning administration in Taiwan consists of the central government and local government.

(1) The Central Level:

At the central level, the Executive Yuan under the President's supervision consists of two primary planning authorities, the Council for Economic Planning and Development (CEPD) and the Ministry of the Interior (MOI) (see Figure 3.1). According to the CEPD's official website, it serves in an advisory capacity to the Executive Yuan. The CEPD is responsible for:

- Drafting overall plans for national economic development;
- Evaluating development projects, proposals, and programmes submitted to the Executive Yuan;
- Coordinating the economic policymaking activities of Ministries and agencies;
- Monitoring the implementation of development projects, measures, and programmes. (CEPD Website www.cepd.gov.tw, accessed 27th Apr 2006).

Under the CEPD (see Figure 3.2), the Department of Urban and Housing Development has responsibility for preparing the National Comprehensive Development Plan (NCDP) and coordination of urban and regional development, housing construction, environmental protection and related issues. It is also responsible for reviewing and studying policies in relation to land, housing, urban and regional development.

¹ Sun Yat-Sen is called as Father of Republic of China.

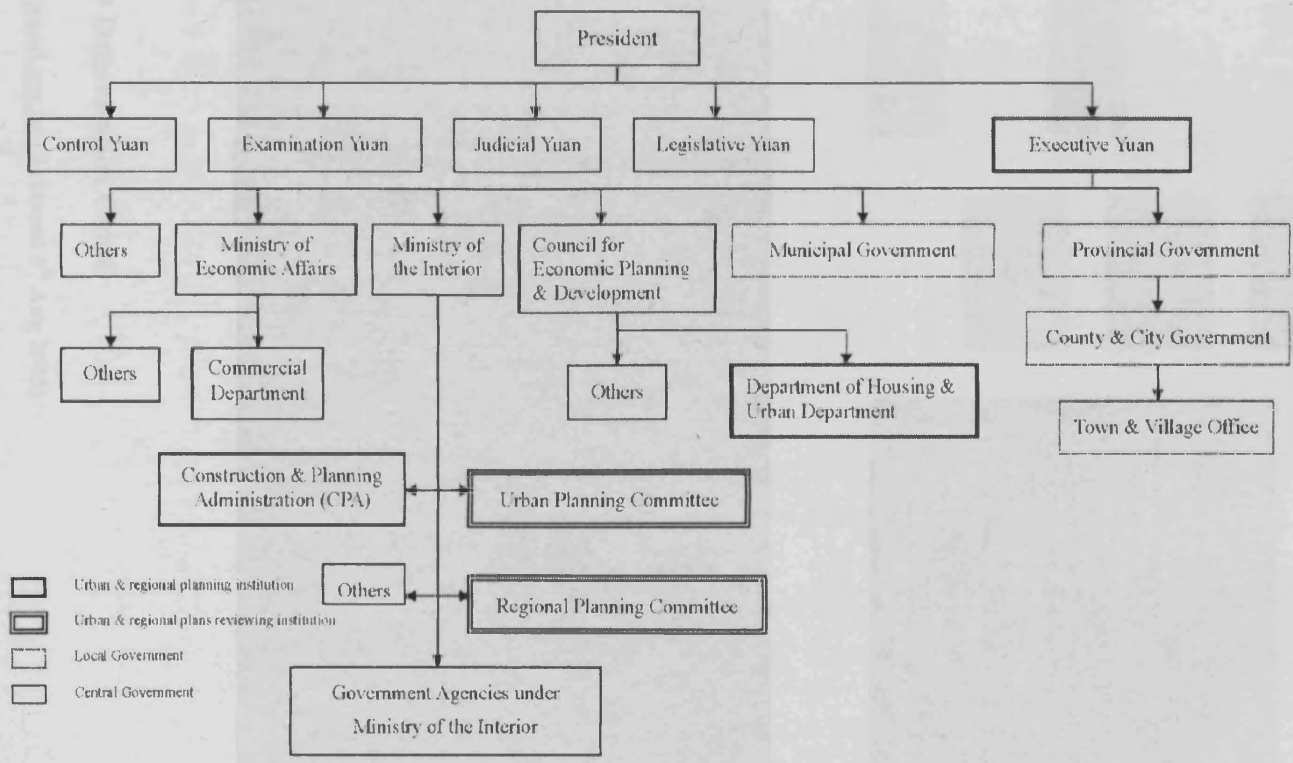
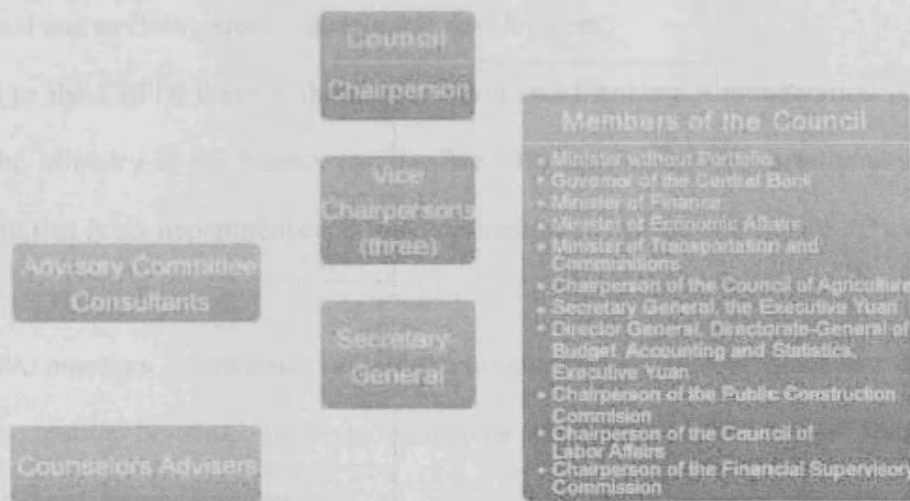


Figure 3.1 The Planning Institutions at the Central Government Level

Source: Shim (1991), Yang, H-W. (2005)



Department of Overall Planning
Department of Economic Research
Department of Sectoral Planning
Department of Manpower Planning
Department of Urban and Housing
Department of Financial Analysis
Department of Supervision and Evaluation
Department of General Affairs
Personnel Office
Department of Government Ethics
Department of Accounting Office
Centre for Economic Deregulation and Innovation

Figure 3.2 CEPD Organisation Chart

Source: CEPD www.cepd.gov.tw (Accessed 5th Aug 2005)

The Department of Urban and Housing Development under the CEPD is also responsible for reviewing the coordination and promotion of conservation, and important public investment and private participation so as to raise the quality of the living environment, establishing an efficient production environment and maintain

ecological and environmentally sustainable development.

Parallel to the CEPD, there is the Construction and Planning Administration (CPA) under the Ministry of the Interior (MOI). The CPA consists of ten operational units, including that is six departments and four administrative offices (see Figure 3.3).

The CPA manages a multitude of affairs ranging from regional planning, urban planning, public housing, building regulations to public works. Those divisions related to land use planning are the:

- Comprehensive Planning Division: it is in charge of the drafting of urban development policies, the revision and explanation of urban planning laws, reviewing and approving urban planning cases as well as the planning, coordination and promotion of metropolitan, new town and new community plans.
- Urban and Rural Planning Office: it is in charge of national, regional, urban and local planning in Taiwan and related support activities, such as topographic surveying, information management, and studies of urban planning reform.
- Land Administration Division: it is responsible for services related to non-urban land zoning and land use control (CPA <http://www.cpami.gov.tw/>, accessed 22nd March 2006).

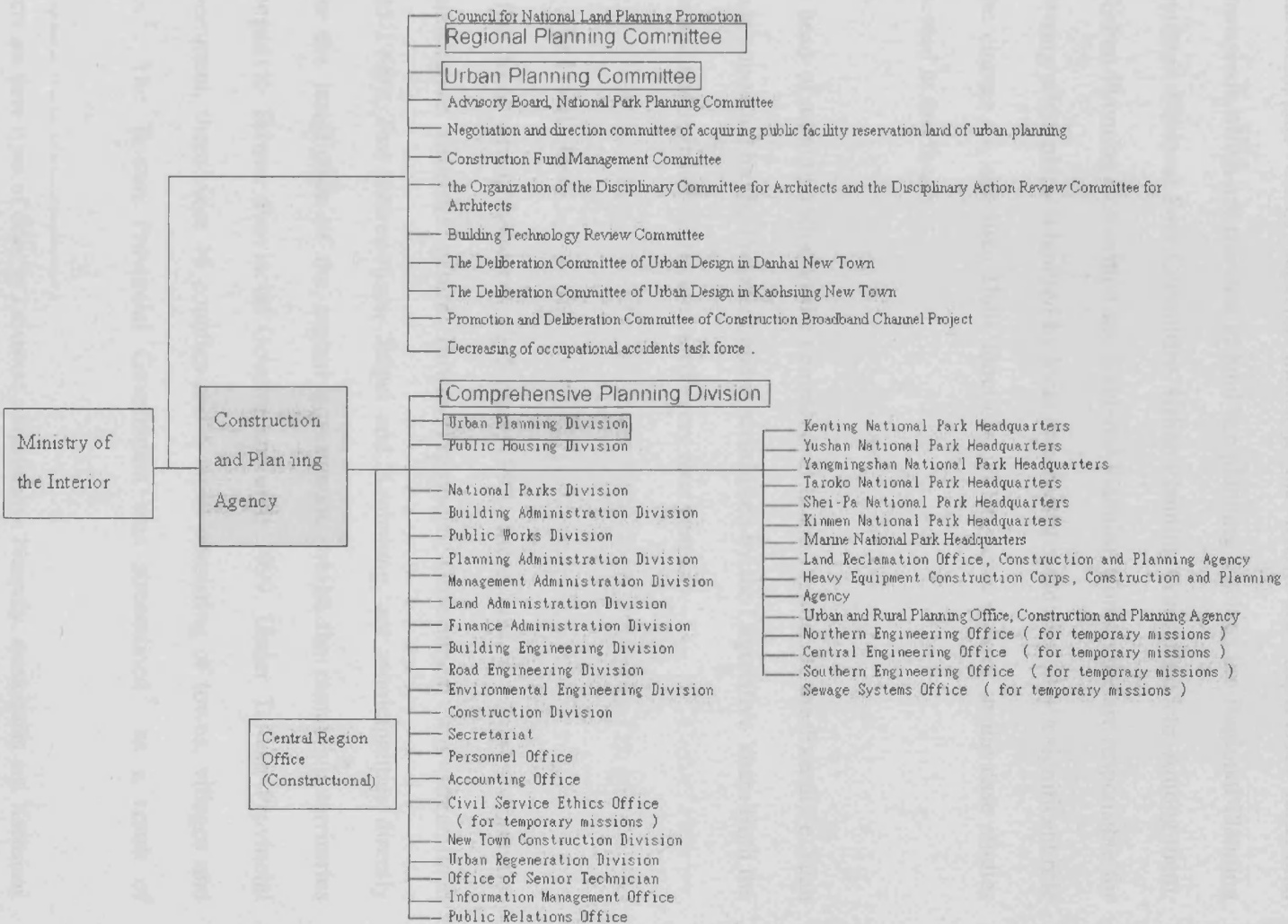


Figure 3.3 Organisational Structure of the CPA

Source: CPA <http://www.tcd.gov.tw/tcd/ENGLISH.asp> (Accessed 15th Aug 2007)

In addition, the CPA's superior ministry, the MOI, also supervises functional commissions which are relevant to land use planning, such as the Regional Planning Committee, National Park Committee, Urban Planning Committee, etc. Among them, the Urban Planning Committee and Regional Planning Committee are responsible for reviewing urban plans submitted by local governments and they play a significant role in the change of land use. Their functions will become clearer in the case studies presented in this thesis.

The head of administration at the central level is the Premier of the Executive Yuan who is appointed by the President and is scrutinised by the Legislative Yuan. Both the President and legislators are re-elected every four years.

(2) The Local Level

At the local level, between 1945 and 1999, there was a complex three-tier administrative structure before Taiwan Provincial Government was streamlined (1945-1999). Two metropolises, Taipei and Kaohsiung, are municipalities directly under the jurisdiction of the central government, whilst the remaining territories belonged to Taiwan Provincial Government until 1999. Under Taiwan Provincial Government, there were 16 counties and 5 cities consisting of towns, villages and cities². The Taiwan Provincial Government was streamlined³ as a result of

² There are three types of cities in Taiwanese administrative hierarchy, municipality e.g. Kaohsiung City, city equivalent to county, e.g. Tainan City, and city under a county, e.g. Banciao City under Taipei County.

³ There is still a Taiwan Provincial Government Office appointed by the Premier of the Executive Yuan. The purpose of the Provincial Government Office is to maintain a connection with mainland China which the Republic of China government withdrew from in 1949. Maintaining a Provincial Government Office has become a symbol to emphasise the perceived connection.

Government Restructuring in 1999, and those planning authorities of the Provincial Government, i.e. the Construction Bureau, the Land Office, the Housing and Urban Development Bureau, and the Urban and Regional Planning Commission, were incorporated into the CPA. In other words, since 1999, the local level comprises two parallel systems: one is the municipality; and the other is the two-tier administrative structure, cities and counties and their following towns, villages and cities (Figure 3.4).

The heads of local governments are mayors of cities or magistrates of counties who are re-elected every four years and are monitored by local councils which consist of councillors re-elected every four years as well. There is an Urban Planning Commission in each city or county and its members are appointed by the mayor or the magistrate. However, the department at local level managing planning affairs can vary and is dependant on the structure of local government. For the two municipalities, the Department of Urban Development (Taipei City) or the Urban Development Bureau (Kaohsiung City) deals with planning activities, while there is an Urban Planning Commission appointed by the city mayor who is responsible for development control and planning permission.

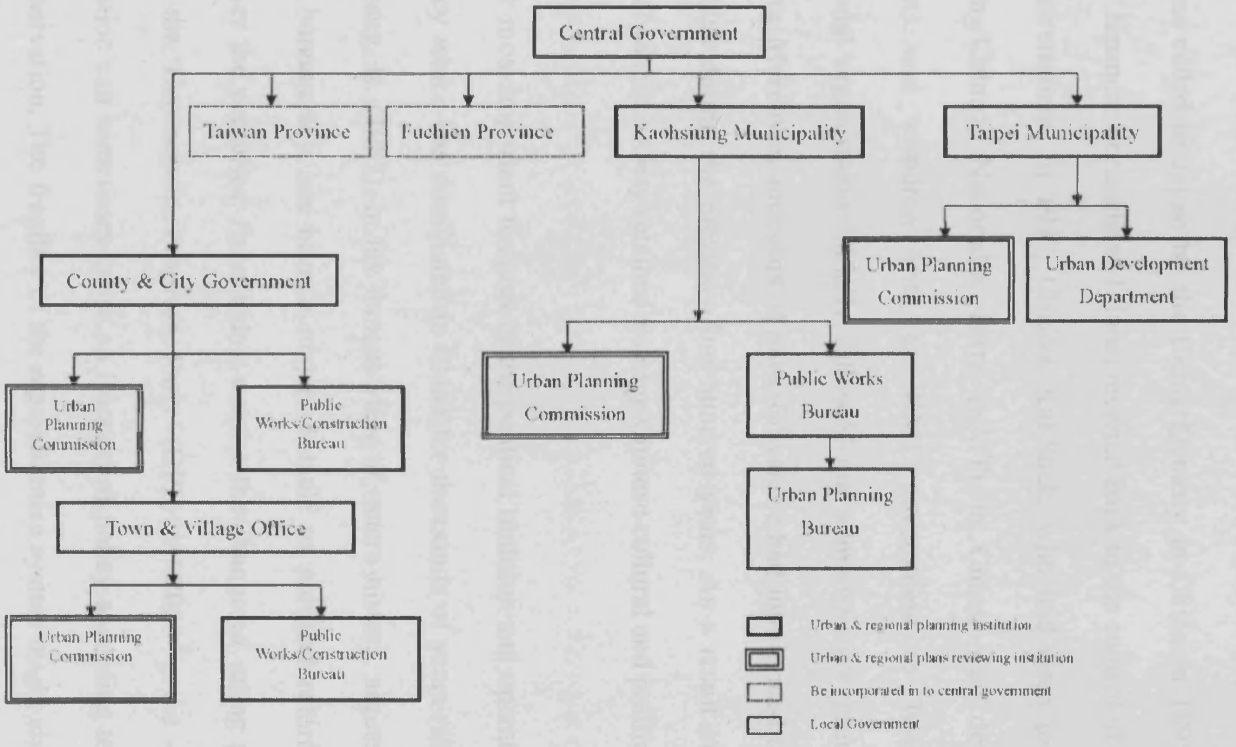


Figure 3.4 Planning Institutions at the Local Government Level

Source: Yang, H-W (2005)

3.2.2 The tradition of strong bureaucracy and 'rule of human'

Taiwan was ceded to Japan by the Ching Dynasty in China in 1895. After a half century of Japanese occupation, Taiwan reverted back to the control of the republic of China's government. In 1949, Chiang, Kai-Shek, who had risen to power in the Kuomintang/Chinese Nationalist Party (KMT) in China, was defeated by the communists and withdrew with his KMT government to Taiwan. Taiwan's governmental organisation initially followed the administrative framework of the great China. Moreover, ancestors of most Taiwanese had immigrated to Taiwan from coastal China during the previous four hundred years. As a result of the historical context, Taiwanese society retained a strong Chinese cultural and political tradition.

One of the most important features of the political tradition and operation is a strong bureaucracy which has dominated in China for thousands of years (Cheng and Hsu, 1999). Huang, R. (1982), in his famous view of macro-history, argues that such the dominant bureaucracy has been a major obstacle to political reforms in Chinese society over the centuries. Even today, despite the change of ruling party from the KMT to the Democratic Progress Party (DPP) in 2000⁴, the dominance of administration can sometimes cause an inaction of policy according to Cheng, T-J.'s (2005) observation. The fragility of the representative system might also be the cause of strong bureaucracy according to Riggs (1997, p.118):

⁴ However, The KMT regained power in the 2008 Presidential Election.

'... in countries whose representative institutions are fragile... the likelihood of bureaucracy domination is greatest. This is clearest where mandarin traditions preceded the creation of such regimes ...'

From a different angle, Waldo, D (1980, p.3) argued the development of Western politics was democracy first (Greek style) and then bureaucracy (Roman system) followed. Cheng, T-J. (2005, p.87) states that, in contrast to the development of the Western politics, political development in Chinese-culture society (including Taiwan) was a strong administration under the emperor for thousands of years. In the case of Taiwan, democratisation has emerged relatively recently only.

Given the recent movement toward democratisation, does bureaucracy still dominate in Taiwan or is change taking place? In the era of KMT rule between 1945 and 2000, bureaucracy was locked in an authoritarian regime i.e. the president of KMT was always the President of Taiwan. When the DPP came to power in 2000, it accused the previous governmental administration of ineffective management and blamed its own weak political control over the bureaucracy on the fact that most of government officers remained loyal to the KMT⁵. As a consequence, there were severe conflicts between the DPP and the bureaucratic system⁶, and a tension called 'the new government vs. the old bureaucracy'⁷ emerged which reflected the difficulties facing the then DPP government. Although the institutional change in 2000 released

⁵ According to Yu's (2002) investigation in 1999, 92% of director-generals in central government were members of the KMT while 85% of chairpersons and 70% of chiefs at the central level were members of the KMT. The higher the status, the higher the ratio of KMT members within the bureaucracy was.

⁶ *United Daily News* 13th Aug, 2000 and 27th Sep, 2000.

⁷ *United Daily News* 21st Oct, 2000.

administration from unitary political control and led to a multi-central governance, bureaucracy increased and there was an increasing division between the ruling party and the administration (Cheng, T-J., 2005, p.92-93). The conflict between 'the new government vs. the old bureaucracy' therefore results in more problems in policy coordination.

Another feature of the political operation is the so-called 'rule of human' which has always played a significant role in the policy-making process or government activities (Liao and Hsu, 2002). Liao and Chien (2007) illustrated the 'rule of law' versus the 'rule of human' model in the form of two diagrams (see Figure 3.5). They argue that the main difference between the two models is that in the second layers of the 'rule of human' model, the great person or some great men play a significant role.

The matter of 'rule of human' leads to another issue of interest, the importance of personal social network. This relationship which is called 'guanxi'⁸ in Chinese, is deeply rooted in Chinese-culture institutions and impacts on from international relationships to business enterprises (Ansfield, 2007). The effects of such a solid network of relationships has gradually attracted the attention of Western academia (see Gold, Guthrie, and Wank, 2002) since the relationship network is an extremely important aspect of Chinese-culture society, including that of Taiwan (Rozman, 1991).

⁸ 'Guanxi' is the pronunciation of the Chinese word, '關係'.

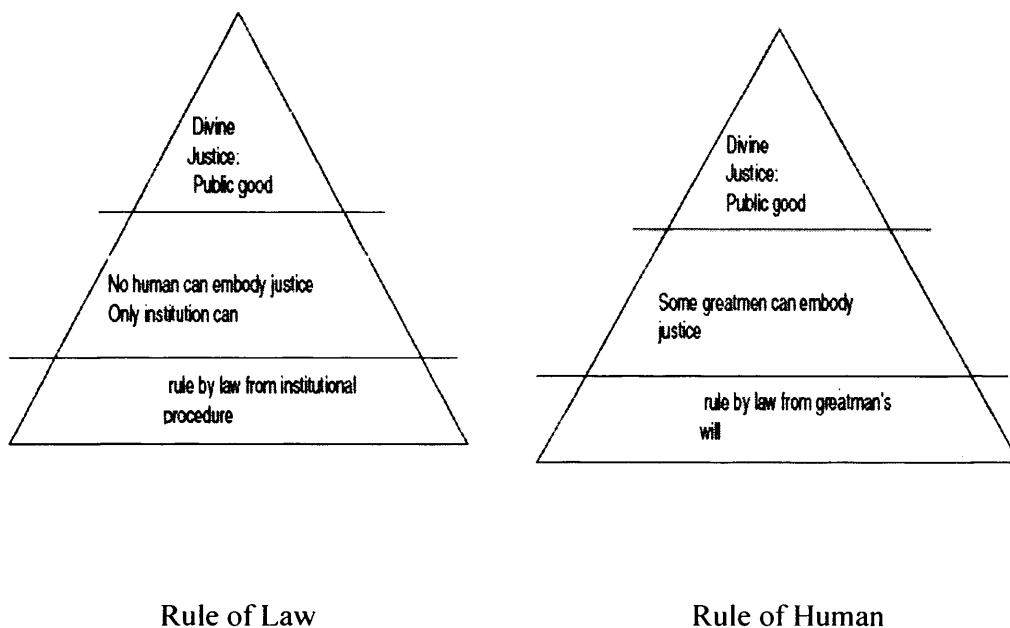


Figure 3.5 Rule of Law VS Rule of Human Model

Liao and Chien (2007, pp.7-8)

Many Chinese philosophers, for instance, Chi-Chao Liang (1873-1929) contended that the concept of the ‘rule of human’ originated from ancient Chinese philosophy, Confucian humanism, which stresses the importance of maintaining social order and harmonising relationships⁹. In this context, law and legal process are the very last resorts for solving problem, since the individual is encouraged to yield to maintain social harmony (Liao and Hsu, 2002). As a result of the concern to maintain harmony, resistance in Taiwanese society, especially in the public sectors, is unusual because public servants tend to follow orders, even when such orders conflict with regulations.

⁹ Liang was one of the great Chinese philosophers in the twentieth century and his thoughts on Confucianism can be obtained in the English version of his book, ‘*History of Chinese Political Thought: During the Early Tsin Period*’ published in London in 1930. However, the quotation cited in this thesis was borrowed from the Chinese version republished in Chinese by The Grand East Book in 1999.

This has prevented public participation in public policy making because peoples are reluctant to express their opinions or concerns to avoid disharmony. Such concern for harmony influenced the relationship between individuals in institutions.

3.2.3 'Gold-power' and the rise of local influence

As a result of the social movements which emerged in the 1980s, citizens in Taiwan have gradually understood how to claim their right to a say in government and a more demanding civil society has therefore resulted (Hsiao, 1990). As to the development of democratic movements, some observe Taiwanese society has shifted from '*an intellectual guided society*' to '*a preference or volition guided society*' (Chu, C., 1991, p.163).

The rise of black-gold politics has been attributed by some to the movement towards democratisation from the 1980s when black and gold powers collaborated with local political groups to grasp planning power through public election (Chao, Y., 1996; Kao, 2003). Black-gold power therefore spread quickly and affected policy-making in certain cases, though the KMT government attempted to eliminate this infamous connection (Chiang, T-S., 1996). As black-gold politics had become a structural problem which aroused public concern, the manifesto of sweeping out black-gold culture stated by DPP Presidential candidate, Shui-Bian Chen, was particularly attractive. Chiang, T-S., (2005, p.94) even attributes Chen's victory in 2000 to the high public expectation of a political scene devoid of corruption.

The dramatic institutional change may be seen as a milestone in Taiwan's progress towards democratisation. Unfortunately, the power of gold in political culture has not decreased with the development of democracy. On the contrary it is widely thought

that the under the table relations between government and specific business bodies have transferred to a more sophisticated interlocking network. Accordingly, because this infamous connection did not disappear with the collapse of the old regime, when the DPP replaced the KMT in 2000, some argue it has become a problem embedded within institutions and call this institutional capitalism ‘white-gold’ (Tin, J., 2002).

Another reason for the linkage between gold power and the democratic process is the rise of local political powers, which has partially resulted from a fiscal shortage in the central budget. Over past decades, Taiwanese planning was thought of as plan-led planning since the national plans made by central government decided local developments. Notwithstanding that the rigid plan-led system based on zoning control had existed for decades, the shortage in the government budget and the amendment to the ‘Budget Distribution Act’ in the late 1990s¹⁰ forced central government to change the interventionist planning policy to a more market-led planning (Lu, 2001).

Market-led planning means a lower central budget and more local planning powers. The growth of local political power resulting from deepening democracy in the 1990s has led to the development of the entrepreneurial city (Lee, Lan, and Juang, 2005). Moreover, the new business-priority policy stated by the DPP government in 2001 imposed neo-liberalism on Taiwanese planning. Therefore Taiwanese planning has been, in fact, changing as the political context has shifted from within (Chou, T., 2004, p.205). If the political culture and social context can be viewed as part of institutions,

¹⁰ The budget of local governments in Taiwan had deeply relied on subsidies offered by central government. The amendment to the ‘Budget Distribution Act’ in 1999 reallocated distribution of central and local taxation, local governments now gain more financial resources from the taxation system.

as discussed in Chapter Two, the dramatic change in political culture over the last decade would have affected Taiwanese planning.

3.3 The Planning Context in Taiwan

3.3.1 A hybrid planning system

The Taiwanese planning system can be thought of as a complex combination of different institutions cross-cutting various departments. Planning history in Taiwan can be traced back to the Japanese occupation (1895-1945). Between 1899-1911, an urban planning system was set up for major cities (Taipei, Taichung and Tainan) then a national land use planning system was completed for the establishment of Taiwan as a military base for the Japanese invasion of South Asia. In this blueprint, the Japanese colonial government defined Taipei as a political and economic centre, Taichung as an agricultural and light industry centre, and Kaohsiung as an industrial city. Three regional plans for Taipei, Taichung and Kaohsiung were therefore published as instruments to implement national planning. The legacy of Japanese planning is still apparent in spatial development in Taiwan (Lai, T. 2001). For instance, the 1936 Urban Plan Order land administrative system made by the Japanese colonial government was inherited after the Second World War when the Chinese KMT government replaced the Japanese regime in 1945 and there was no new planning system until the 1970s.

Moreover, the current Urban Planning Law was introduced as an urban land use planning regulation to mainland China in 1929 when Taiwan was still a Japanese colony. After the KMT government withdrew from China in 1949, the Urban Planning

Law was not revised until 1964 when the first amendment was made and concepts of regional planning were taken into account. The Regional Planning Act was published in 1974 and the first National Comprehensive Development Plan, and County and City Comprehensive Development Plan were therefore introduced in 1978. Since then the framework of a three layered plan hierarchy in Taiwan has been established.

The Taiwanese planning system is seen as an instrument for the government's economic strategy and the purposes of planning have changed due to different concerns at different times (see Table 3.1). Spatial development in Taiwan has been highly affected by the political structure and social context. This is partly because of Taiwan's developmental state strategy focusing on economic growth, and authoritarian rule determining the interaction between central-local relation, political groups and local stakeholders (Chou, T., 2004). Some researchers argue that the tensional relationship with China and domestic conflict between mainlanders and natives made the KMT government enforce autocracy and monopolise all policy resources, in particular economic development policy, after the Second World War (e.g. Lee, Lan, and Juang, 2005).

As a result of its authoritarian rule, the KMT could control local power through land use planning which was used as a way to obtain enormous developmental gains. On the other hand, local governments had limited planning authority in relation to land use control, though they also collaborated with interest groups and big business as a coalition of gain hunting (Chen, D., 1995). Intervention from central government weakened local planning authority and reduced the significance of land use planning, while central economic policy was the dominant principle followed. With the development of democratisation from the 1990s onwards, the competition between

the KMT and the DPP reached a climax. Frequent election campaigns forced political parties to face the growing clamour for local democracy and loosened central control over local planning. On the other hand, it also impacted on the interest coalition at local level (Liang, Y., 2003).

3.3.2 The dominance of economic planning

Taiwan, due to the success of its economic development policy, is generally viewed as a development-oriented country, since the central government has used the national development plan as a blueprint for the development of the national economy. This feature of a developmental state has affected economic development in Taiwan and has also had a strong influence on Taiwanese planning (Lee, Lan, and Juang, 2005).

Table 3.1 Purposes of the Taiwanese Planning System

Source: Lee, Lan, and Juang (2005) and Chou, T. (2004).

Before 1945	To support the colonial government's aim of building Taiwan as a base for the Japanese invasion of Southeast Asia.
1945-1970s	To support the national economic strategy and to maintain political stability.
1970s-mid 1990s	To make a layout of population and land use.
Mid 1990s~	To coordinate planning authorities and to integrate relevant plans.

An export-oriented industrialisation policy, based on state strategic intervention, was the development policy adopted by the Taiwanese Government in the 1950s to 1960s. According to Chou, T. (1999), the progress of export-oriented industrialisation resulted in a radical decline in the agricultural sector whereas industrial development rapidly increased. At the same time, the process accelerated industrialisation in Taiwan and stimulated urbanisation. Chou also points out that the rapid urbanisation that accompanied the pace of industrialisation, especially during the 1960s and 1970s, led to regional disparities and spatial contradictions (Chou, T., 1999, pp.332-333). When metropolitan areas, such as Taipei and Kaohsiung, attracted most resources, capital and labour, during urbanisation, countryside areas lagged far behind and suffered from long standing depression.

Inheriting the mode of export-oriented industrialisation in the 1960s and 1970s, urban and regional development in Taiwan has inevitably engaged with the global economy and has headed towards global city building and regional competition (Hsia, 1993; Shih, 1998). However, regional disparity has widened drastically as the result of outstanding performance of economic growth, and a rigid planning system with its parallel urban and non-urban land use control system has been considered an obstacle to economic development (Hsing, 1999).

The spatial contradictions in regional development have been mainly caused by the devoid of coordination between individual development plans which have been usually designed with their own focuses (Chou, T., 2004). Industrialisation created rapid population movement to the major big cities, Taipei and Kaohsiung, and such change led to polarised development and uneven regional development. As a result of this unwelcome side effect of the national economic strategy, the impact of

economic development policy on land use planning has begun to attract the government's attention.

Other changes have also occurred over the past decades. Although economic development in Taiwan has been dominated by central government since the first Four-year Economic Plan¹¹ announced in 1953, some significant events occurred in the 1990s which have reduced its power, in particular the introduction of 'Local Government Act', and the election of mayor and magistrate¹² (Huang, G-T, 2000). The 'Local Government Act' provides justification for local economic planning; however without central financial support, local governments cannot have their own economic development strategies (Chang, Y., 2005, p.47). As a result, any new economic project supported by the central government budget is always welcomed and thought of as an opportunity to promote the local economy.

As a typical developmental state, the primary planning agency in the Taiwanese planning system is the central government (Lee, Lan, and Juang, 2005) which has most financial resources and is the dominant decision-maker in the planning system. Notwithstanding, local government is increasingly gaining in influence in relation to central authority in some planning issues in which local assistance is necessary. In terms of institutional design, local government holds power to make final local planning decision, although many cases can be found of central government intervention.

¹¹ An economic strategy for import substitution

¹² Mayors of municipalities have been elected by citizens instead of being appointed by central government since 1994.

Due to a tradition of centralised planning, local government has long regarded economic development as a responsibility of central government (Chang, Y., 2005, p.38). However, with the progress of the democratic movement, central government has been forced to release more authority to local government, especially related to economic planning.

3.3.3 Limited land use planning

With reference to land use planning, it is worth noting that the implementation of land use planning in Taiwan relies on bureaucratic administration instead of a British-model of discretion and judgement, though both approaches reflect evolution of individual legislation. In the legal tradition of Taiwan, all prohibitions should be listed in legislated law. Accordingly, only planning control, has to depend on the regulatory machinery comprising written law or rules, otherwise, it is supposed to be allowed tacitly. While goals of Taiwanese planning have been continually adjusted over the years and the role of land use planning has changed over time, the implementation of Taiwanese planning remains substantially as its origin established under Japanese occupation (see Section 3.31 and table 3.1).

Based on his observation, Chou, T. (2004, p.199) argues that planning in Taiwan has become a kind of '*institutional inertia*' which has a '*lock-in effect*' embedded in long-term interaction among local development mechanisms, the planning profession and government organisations. As planning activities have been narrowed to land use plan making, planning has therefore become a sort of checklist for land distribution in which all other concerns, e.g. social inclusion and culture, have been excluded. Inevitably, planning has become a land use layout serving for economic development (Ibid. pp.201-202).

In such circumstances, the state can only limit private right of development through planning regulations. Moreover, the planning authority has no right to intervene in individual detailed developments if there is nothing in them that breaks the planning laws or regulations. Chou, T. (2004) therefore contends the operation of Taiwanese planning has highly relied on formal institutions such as the law, statutory plans and the administrative authority. However, due to rapidly changing circumstances, the demerit of a 'lock-in' institution has appeared and what Chou has described as '*institutional inertia*'. These phenomena have generated a series of debates on strategic and spatial planning which will be presented in Section 3.6.

3.4 The Current Taiwanese Planning System

In Taiwan, most planning activities are undertaken at the local level, however, planning activity is carefully supervised by the final confirmation of the planning authorities at the central state level. Although the removal of Provincial-level planning was implemented in the name of streamlining the policy making process, the plan making authority is still inclined towards central government rather than local planning authorities. In order to provide understanding of planning centralisation, the following paragraphs will introduce the Taiwanese planning system as a whole.

3.4.1 Hierarchy of land use plans

Taiwan has a four-tier planning hierarchy (Figure 3.6). The highest level of the hierarchy is the National Comprehensive Development Plan (NCDP), which aims to promote a reasonable distribution of population and economic activities; to improve

the living environment; and to conserve and develop natural resources. Basically, the National Comprehensive Development Plan which is prepared by the Council for Economic Planning and Development (CEPD) is seen as a goal-oriented and instructive plan. It is placed at the same level as the national economic, social and defence plans which are prepared by the relevant Ministries at the central level. However, the NCDP which is drawn up by the Department of Urban and Housing Development under the CEPD, is a non-statutory¹³ plan. As a result of this limitation, the NCDP has in fact no tools to direct the statutory plans underneath it, i.e. urban plans and regional plans.

The second level of the hierarchy comprises regional plans, national park plans and sector plans. The regional plan is designed to coordinate planning activities across boundaries of local governments and to integrate development projects and sectoral plans at the regional level. It is also expected to manage land developments in rural areas.

In accordance with the Regional Planning Act and its Implementation Details, there are four regional plans in Taiwan: the Northern Regional Plan, the Southern Regional Plan, the Central Regional Plan, and the Eastern Regional Plan. These plans are prepared by the Construction and Planning Agency (CPA) and are for the promotion of the utilisation of land and natural resources; a reasonable distribution of population and production; acceleration of an all-round economy; improvement of the living environment and social welfare (see Figure 3.7).

¹³ In Taiwan, a statutory plan means a government plan made according to a Law or Act legislated by the Legislative Yuan. Without the legislative process, a plan is non-statutory and non-binding on planning authorities.

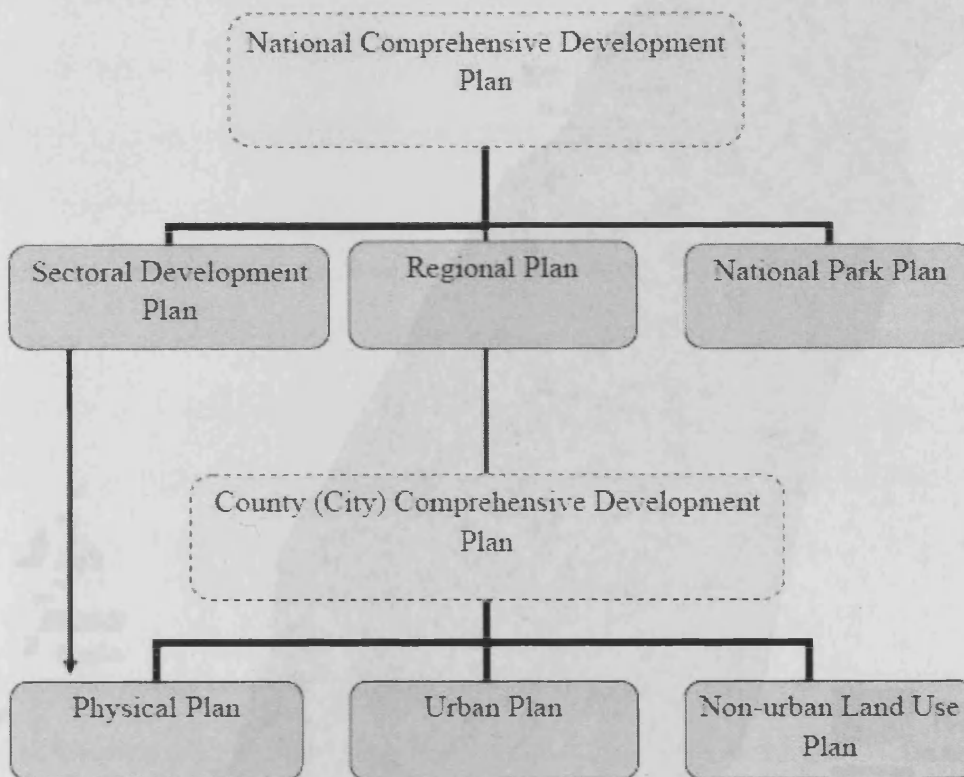


Figure 3.6 Simplified Diagram of the Structure of the Planning System

Source: URPO Website <http://www.tcd.gov.tw/> (accessed 6th Jan 2006)

The third level of the hierarchy is the Metropolitan Development Plan in two municipalities, and the County and City Comprehensive Development Plans for other counties and cities. These plans are prepared by the local government and are for promoting economic development, improving the living environment, and allocating land for future development of public facilities, transport and communication, education, medical services, tourism, production and social welfare.

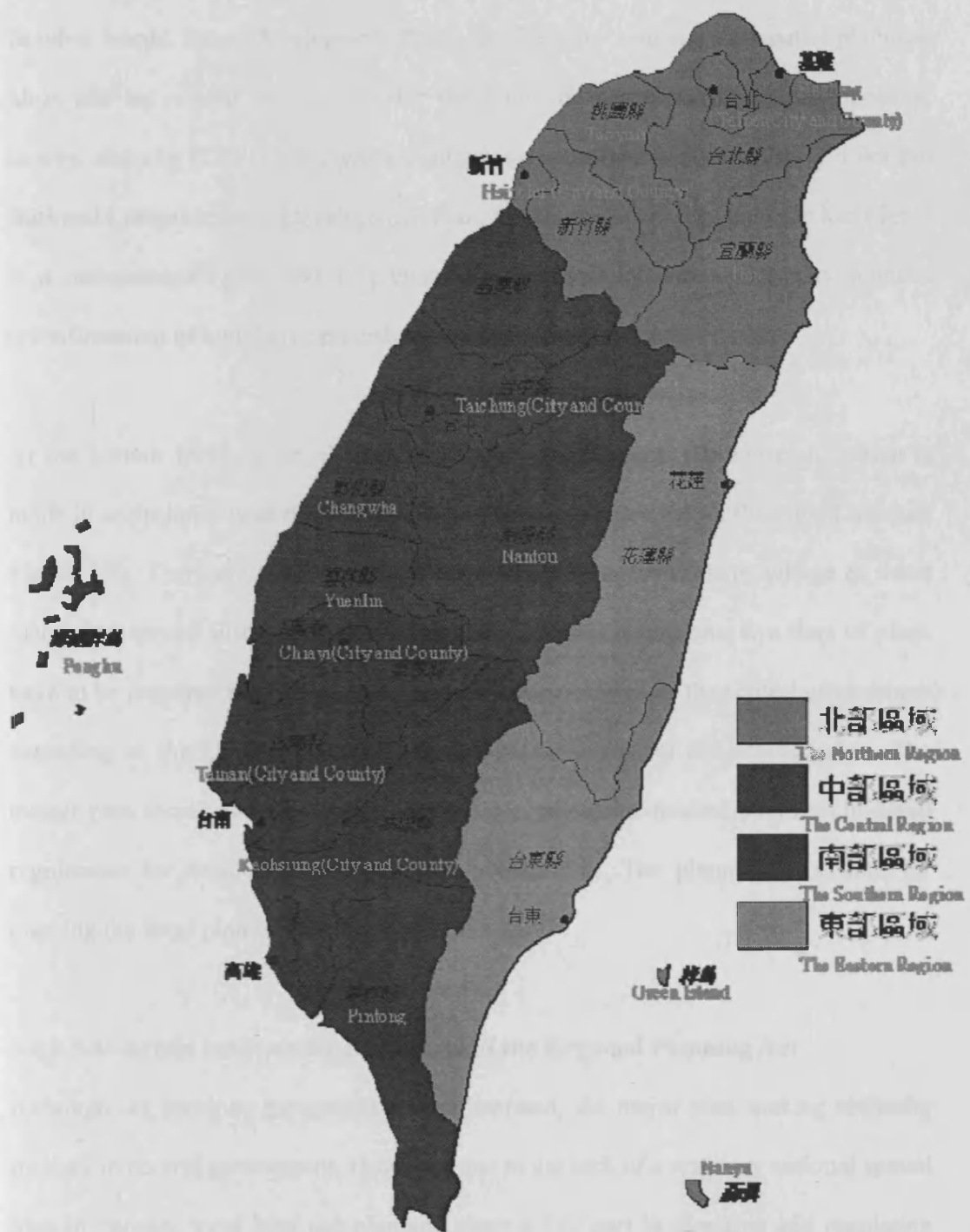


Figure 3.7 Map of the Four Regions in the Taiwanese Planning System

Source: URPO Website, <http://www.tcd.gov.tw/> (accessed 16th Jun 2008)

In other words, these Development Plans are likely to contain more spatial planning ideas and be viewed as blueprint for the future development of the metropolitan, county, and city (CEPD <http://www.cepd.gov.tw/>, accessed 17th June 2006). Like the National Comprehensive Development Plan, the comprehensive plan at the local level is a non-statutory plan and is prepared by the local planning authority without reconfirmation of legislative procedure.

At the bottom level of the planning hierarchy is the statutory urban plan, which is made in accordance with the Regional Planning Act and the Urban Planning Law (see Figure 3.6). There are three types of urban plans: city & town plans, village & street plans, and special district plans. Within each of these urban plans, two tiers of plans have to be prepared by the local government (or sometimes by the central government) according to the Urban Planning Law: the master plan and the detailed plan. The master plan shows planning layout for land use, while the detailed plan lists in detail regulations for development of land use (Ng, 1999). The planning procedure for drawing the local plan is shown as Figure 3.8.

3.4.2 Non-urban land: under the control of the Regional Planning Act

Although, as previous paragraphs have illustrated, the major plan making authority inclines to central government. However, due to the lack of a statutory national spatial plan in Taiwan, local land use planning plays a key part in directing and regulating local developments. Therefore, it is useful to describe and explain this complex land use control system in order to provide the reader a comprehensive picture of Taiwanese planning.

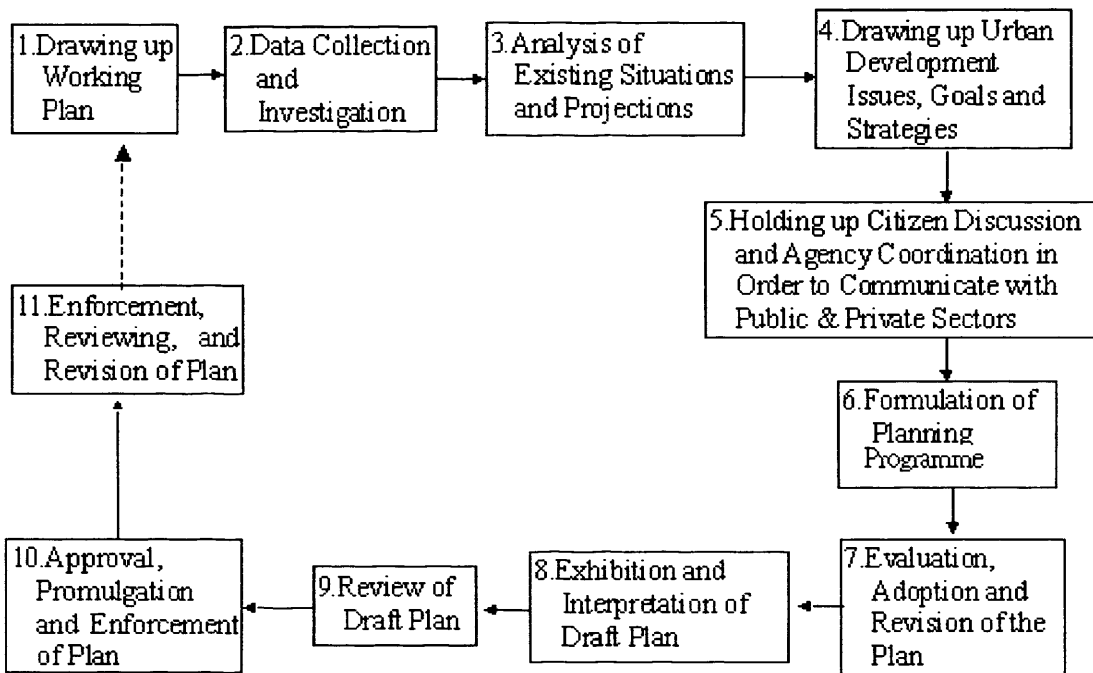


Figure 3.8 The Planning Procedure of Local Planning (Master and Detailed Plan)

Source: CPA Website <http://www.tcd.gov.tw/> (accessed 6th Jan 2006)

Taiwan is an area of 36,000 square kilometres with a population of around 22.88 million based on the 2006 statistics (Government Information Office, 2007). Nearly two third of Taiwan is hilly region or mountain, as a result, only a limited amount of land is suitable for development. Such a small area and numerous residents had led to extremely high-density land use in Taiwan. The land use control system in charge of development is divided into two parts: non- urban land and urban land.

According to the Regional Planning Act, the total planning area of the four regions is 36,006 square kilometres (see Table 3.2).¹⁴ The first overall review years of plan

¹⁴ The data were collected in 1984.

promulgation were 1995, 1996, and 1997¹⁵. All the land in the four regional plans can be divided into two types: non-urban planning land and urban planning land. Urban planning land is area in which an urban plan is applied, whilst non-urban planning land is all the rest. In Taiwan, the area of the non-urban planning land is far larger than the area of urban planning land and the ratio of area of the non-urban planning land (around 3.14 million hectares) to urban planning land (around 0.46 million hectares) was 87:13 at the end of 2007 (CPA Website <http://www.tcd.gov.tw/> (accessed 14th June 2008)).

All non-urban planning land is under the control of a regional plan, however, a regional plan is not capable of fully reflecting the reality: for instance, the projected population is often too high due to prediction being based on previous population growth shown in Table 3.2, only the Central Regional Plan has met its predicted population, while the other three regional plans have not achieved the prediction set by themselves.

Before governmental restructuring and streamlining of the Provincial Government in 1999, the Taiwan Provincial Government and central government shared planning authority for regional planning. But since 1999, all regional planning affairs are the responsibility of the central government¹⁶.

¹⁵ In order to accommodate to changing circumstance, each regional plan is required to be reviewed overall every five years (Regional Plan Act, Article 13).

¹⁶ Before 1999, regional planning for north and south Taiwan was the responsibility of the central government and planning for the other two regions, central and east was the responsibility of the Taiwan Provincial Government. Since 1999, due to the streamlining of Taiwan Provincial Government, the central government has been responsible for all regional planning affairs.

Region	Population in 2005 (1000 persons)	Area (KM ²)	The First Overall Review Year of Plan Promulgation	Target Year	Projected Population (1 000 persons)
Northern Region	9,489	7,353	24 Nov.1995	2005	10,944
Central Region	5,578	10,507	22 Aug.1996	2011	5,194
Southern Region	6,363	10,002	28 Jun.1996	2005	7,868
Eastern Region	603	8,144	24 Jun.1997	2011	776

Table 3.2 Status of Regional Planning in Taiwan

Source: Translated from the CPA Website <http://www.tcd.gov.tw/> (accessed 4th Jan 2006)

According to Article 15 of the Regional Planning Act:

'After a regional plan is announced and implemented, for the non-urban lands other than prescribed in Article 11, the concerned municipal or county (city) governments shall work out non-urban land-use zoning maps according to the land-use plan of non-urban lands, classify the lands for various purposes, and report to the upper-level competent authority for review and recording prior to implementation of control. The same for the procedure of alteration. The control rules shall be prescribed by the central competent authority.'

The Implementation Details of the Regional Planning Act (Article 13) points out that all non-urban lands are classified into ten types of zones:

'1. Special agricultural district; 2. Common agricultural district; 3. Industrial district: allocated by the competent authority jointly with the related departments to promote the overall industrial development; 4. Rural district; 5. Forest district; 6. Slope conservation district; 7. Scenic district; 8. National park district; 9. River district; and 10. Other utilization district or special-use district.'

Similarly, Implementation Details of the Regional Planning Act (Article 15) refers to 18 land-use categories, including A building land-use, B building land-use, C building land-use, D building land-use, agricultural production land-use, forest land-use, traffic land-use, recreation land-use, ecological conservation land-use, and special aim enterprise land-use, etc. For instance, the A building land-use category refers to land that can be constructed on, out of hillside, in a fertile or general agriculture zone.

In general, all non-urban land planning, except in a national park zone, should be supervised under the Rules of Management of Non-Urban Planning Land Use which are under the Regional Planning Act and its Implementation Details. The control process is similar to land use zoning control. However, local governments should prepare non-urban land use zone control maps and plans and then allocate a variety of land-use categories to all the non-urban planning areas after the central government has announced the Regional Plans. Despite it is the local planning authority's responsibility to designate non-urban land in regional plans, it often fails in its duty due to lack of human and financial resources.

The control of the development of non-urban planning land in Taiwan is very loose. This appears to be due to several reasons. First, there is a large time lag between regional plans and the non-urban land use zone control map & plan. Second, because of a lack of human and financial resources for preparing and implementing plans at the local government level, most non-urban planning land is not designated to date. Third, there are no statutory plans setting out the future development blueprint the non-urban planning areas, except Regional Plans (Hsing, 1999).

3.4.3 Urban land: under the control of Urban Planning Law

Urban planning land is land that has been designated for this purpose in urban lands and its development is controlled under the Urban Planning Law and its Implementation Details. A total of 443 districts in Taiwan had implemented urban plans up to the end of 1999, 12 per cent of the total area of Taiwan (see Table 3.3). However, the ratio of urban planning land to non-urban planning land was very high in the municipalities of Taipei and Kaohsiung, reaching 100 per cent and 94 per cent, respectively. In Taiwan province, there were only three cities that came close to that level.

They were Tainan City (reaching 100per cent), Taichung City (reaching 97 per cent), and Chiayi City (reaching 88 per cent). The other cities and counties were below 10 per cent up to the end of 1999. Figure 3.9 indicates the ratio of urban planning land to non-urban planning land by cities and counties.

Urban land use planning is based on a political-administrative system where developments are bound to zoning instruments. The most significant local planning

decision-maker, the Urban Planning Commission, is appointed by the magistrate or mayor of each county or city, and refers to advice given by planning assistants in local government and then makes final planning decisions. In central government, the CPA deals with land use planning from the perspective of the central state, while at the local government level, the local planning authority under local governments is in charge of implementing planning policy.

Locality	The Number of Urban Plans	Area of Urban Plans (Unit: Hectare)			
		Total	City & Town Plans	Village & Street Plans	Special Area Plans
Taiwan Area	443	443,077	169,489	66,957	206,631
Taiwan Province	424	401,517	130,739	66,957	203,821
Taipei City	1	27,180	27,180	-	-
Kaohsiung City	18	14,380	11,570	-	2,810

Table 3.3 Status of Urban Planning in Taiwan (up to the end of 1999)

Source: CPA Website <http://www.tcd.gov.tw/> (accessed 3rd Jul 2006)

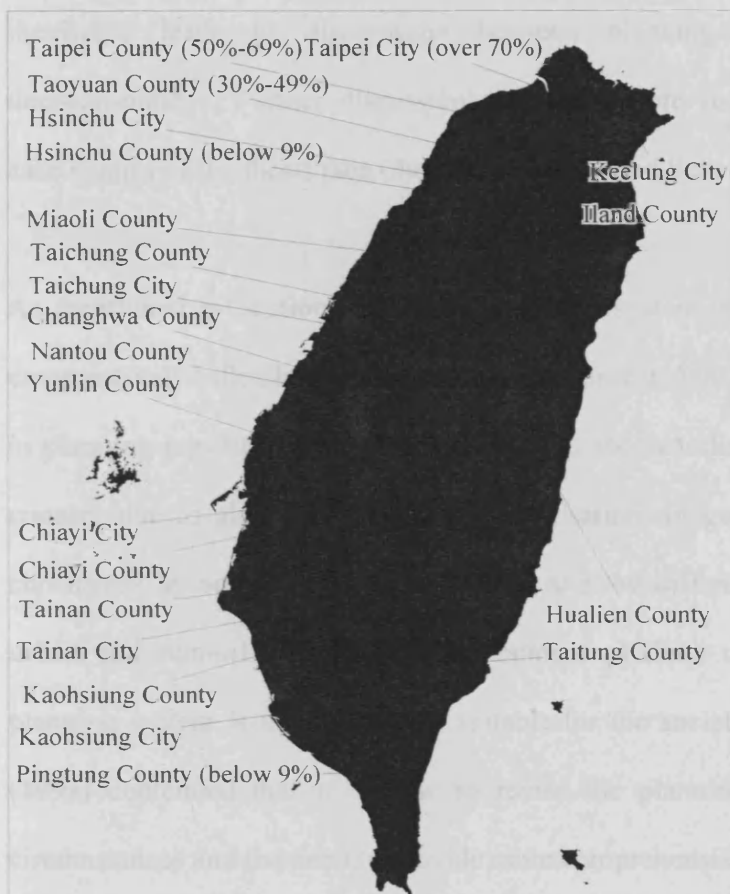


Figure 3.9 The Percentage of Urban Planning Land by Cities and Counties

Source: Translated from the CPA Website <http://www.tcd.gov.tw/> (accessed 4th Jul 2006)

As regards the land use control system in Taiwan, local planning affairs are relatively simple as a result of the political appointment of Urban Planning Commission members. But regional planning policy is more complex since its planning process is not only related to intergovernmental relationships but also affected by interwoven interests. Compared to those in the British planning system, dissatisfied developers in Taiwan prefer a political approach instead of bureaucratic-judicial planning appeals to change the planning decision they have received. Hence, political intervention

inevitably leads to disharmony between planning profession and planning decision-makers. Further discussion on political interventions will be found in the case studies of the thesis (see Chapters Five, Six and Seven).

As mentioned in Section 3.3.3, this regulative system with zoning tools provides a comparatively inflexible mechanism for amendment. While it lists all 'what not to do' in planning regulations, it inevitably neglects the fast changing circumstances in the country due to globalisation and democratisation. In general, land use planning is considered by some to be too restrictive and the different standards for control of urban and non-urban land use development produce confusion. Many argue the planning system is thus no longer suitable for the society (Hsing, 1999). Hua, C.Y. (1991) contended that it is time to revise the planning system due to changing circumstances and the need to provide more comprehensive planning in Taiwan.

The foregoing discussions in Sections 3.3.2 and 3.4.2 would suggest that the dominant actor in the Taiwanese planning system is still central government which owns most financial resources and dominates planning power in the institutional design. However, local government has been increasingly getting involved in the planning decision-making process. In theory, local government holds the power to make a final local planning decision; nevertheless it still highly relies on central government's support to carry out planning activities (see Chapters Five, Six and Seven).

3.5 Policy Coordination in Taiwanese Land Use Planning

Taiwan is well-known for its dynamic economic performance and is usually praised for its business efficiency. In the 2005-2006 Global Competitiveness Report of the World Economic Forum (WEF), Taiwan was ranked the fifth in country ranking. However, the Public Institution Index for Taiwan suggests there is room to improve public service delivery (WEF, 2005) and this is not news to the Taiwanese government (Chu, Y. and Tan, C., 2002). With regard to the Public Institution Index for Taiwan in the WEF 2001-2002 report, the country was ranked twenty-fourth in the world for governmental efficiency, though overall the country's ranking was seventh. In spite of its outstanding performance in national competitiveness, Taiwan's institutional disadvantages, such as the lack of coordination in governmental policy-making, may have an adverse effect in the long-term on its competitiveness (Lee, C. 2004). It is therefore not surprising that the central government has specified 'reinventing government' as its priority manifesto and pledged it will improve government efficiency (Yeh, 2005).

However, what is the reason for the weakness of public institution? As Jiunn-Rong Yeh, Minister of Research, Development and Evaluation Commission (2004-2006), pointed to five main problems resulting in government inefficiency at the state level: 1. too many horizontal organisations; 2. a lack of integration mechanisms; 3. the non-flexible institutional capacity; 4. too many commissions to clarify individual unit's responsibility; and 5. a number of redundant units. All those five points more or less point to the significance of policy coordination which is also central to the government's manifesto of reinventing government. In fact, the government has made its goal to reduce the number of government organisations and simplify paper work in



order to improve government efficiency (Yeh, 2005).

3.5.1 Policy coordination in relation to planning at the central level

However, in Taiwan, the issue of policy coordination was never highlighted until the mid 1990s. The turning point came with the increasing focus on sustainable development by not only grassroots environmental movements but also by the global campaign for sustainable development. As mentioned in previous sections (Section 3.3.3), for decades, planning issues had been narrowly limited to affairs related to making land use plans. The lack of regional planning authority was reflected in the lack of spatial development concerns in planning and the indifference of central government to strategic planning. Since there was no single authority in charge of land use planning, some have argued this resulted in the lack of integration between land use management, land use planning and development agencies (Hua, 1991).

In spite of the lack of a spatial context in the planning discourse, there were discourses about policy coordination in environmental policy and public administration fields and those advocating sustainable development which had become the government's manifesto by the late 1990s. In fact, a National Sustainable Development Research Committee was set up under the Executive Yuan in 1997 in order to deal with sustainable development projects across various departments. However, this Committee is usually acting as a consultant to the Premier¹⁷ of the Executive Yuan with respect to issues related to sustainability rather than an administrative organisation. As a result of the lack of instruments for implementation of sustainable development strategy, the Committee has found it difficult to integrate

¹⁷ The Premier, appointed by the President, is the head of the Executive Yuan.

governmental projects under different sectors within a systematic framework as a whole (Cheng, C-Y, 2002).

However, a Suggestion White Paper for Sustainable Development in Taiwan was eventually drawn up by the Sustainable Development Research Committee in 2002 (Hsiao, H. et al., 2002) which stated that one of the main obstacles to sustainability was the lack of policy coordination. The White Paper indicated that other obstacles to sustainability included unbalanced development and a lack of institutional capacity, despite the existence of the National Sustainable Development Council. It also stressed the need for integrated development goal coordinated policy implementation. Moreover it called for the establishment of a specific planning authority dealing with environmental protection, economic development and social policies within a systematic framework (Sustainable Development Research Committee, 2002).

Regarding the Taiwanese planning system as a whole, the White Paper emphasised the need to coordinate governmental policies, such as National Economic Planning and Development Plan, National Comprehensive Development Plan and National Environmental Protection Plan, to achieve more integrated action. Moreover, it pointed to the need for monitoring system to manage the use of land, resources and energy (Ibid., pp.46-56). Its suggestions pointed to the lack of a systematic framework for planning integration within government and the need to review policy coordination in Taiwan. With regard to the content of this White Paper and a governmental administration review, Lue (2003) identified three dimensions of integration, namely horizontal, vertical and strategic, necessary for intergovernmental coordination across policy and administration. While horizontal coordination is related to inter-sector affairs and vertical coordination to cooperation between central

and local governments, strategic coordination means building up a comprehensive strategy i.e. performance management and an evaluation system.

However the issue of policy coordination is not only limited to debates about sustainability but also found in the fields of public work and administration. After reviewing the infrastructure of the planning system, Huang and Lin (2005, p.249) concluded that national infrastructure plans and projects are fragmented, without coordination and public infrastructures at the local level are non-integrated, too. They contended that the non-statutory status of the National Comprehensive Development Plan and local comprehensive development plans have contributed to this situation. In short, there are too many organisations, too much paper works, and a very complex policy and planning process to provide a strategic and sustainable government infrastructure (Ibid., p.253).

Nevertheless there are mechanisms designed for coordination within central government. For policy coordination at the state level, there are three channels in relation to the coordination of internal cross-department affairs within the Executive Yuan: the Secretary-General, Ministers without portfolio, and functional commissions. However, in spite of these mechanisms, there is still a lack of coordination in policy making and implementation at the central level although there was a change in government in 2000¹⁸. It is thought the DPP government failed to run the state mechanism properly and it was also blamed for its clumsy administrative operation and poor skills in internal coordination. In fact, the DPP's lack of executive

¹⁸ In the 2000 Presidential Election, the DPP's candidate, Chen, Shui-bian, was elected as the new President, the first non-KMT President in Taiwan since 1949. The DPP government was therefore called the 'new government' in Taiwan.

experience probably hindered policy coordination and led to more fragmented governmental actions.

Notwithstanding, the political culture in the Executive Yuan should also be taken into account. Departmentalism is viewed as one of the most serious problems with respect to policy coordination and cross-sectoral affairs. Some attribute this to the lack of internal coordination within bureaucracy (Cheng, T-J., 2005, p.64). For example, the high-speed railway BOT project was the concern of a number of planning authorities: the Council for Economic Planning and Development, the Ministry of Economic Affairs and the Ministry of Interior; the Environmental Protection Administration, the Public Construction Commission and the Ministry of Transportation and Communication; and also a schedule watcher, the Research, Development and Evaluation Commission. When a conflict occurred in relation to the proposed construction of the high-speed railway and the development of Tainan Science Park due to an assessment in 2000, which revealed the possibility that the vibration from high-speed train might result in damage to the hi-tech chip-production industry in 2000, every department had its own concern with respect to the issue. There appeared to be no internal apparatus in the governmental structure addressing this problem until a specific meeting made by the Premier of Executive Yuan coordinated the final decision (*Liberty Times*, 5th Mar 2001).

The change of political culture resulting from the change in ruling party may also have contributed to fragile policy coordination. In the period of the KMT regime, Ministers without Portfolio would be appointed to seats only if they had been senior Ministers. Thus, they would be familiar with the institutional culture and could be influential in coordinating cross-cutting policy (Chin, M., 2005, p.16). In contrast, in

the DPP administration, Ministers without Portfolio had no such familiarity and inevitably faced passive resistance from traditional departmentalism within the Executive Yuan (Cheng, T-J, 2005). As a result of the disharmony between the new ruling party and the traditional bureaucracy, policy-making became even more fragmented and policy implementation was even more difficult.

3.5.2 Intergovernmental relationship

As a result of strong bureaucracy, the focus of intergovernmental management theory in Taiwan has been the relationship between government agencies and its impact on the policy implementation (see Chao, Y. 1997, 2002, 2003; Li, C.,1999; Chen, H.S., 2001).

Intergovernmental management, as a field, originated in the United States in the 1970s and was introduced to Taiwan in the late 1980s. It focuses on policy implementation and attempts to achieve policy goals through coordination and conflicts resolution (Chiang, T-S. 2001). It stresses the importance of linkage between government agencies and the process of policy implementation (Chang, S-M., 1998, p.218). The need for coordination, communication and networking within government makes intergovernmental relations important in the field of public policy analysis. Nonetheless, as in the UK, the term 'intergovernmental relations' in Taiwan, refers to 'central-local' relations that focus on the interactions between central and local political powers.

Chao, Y. a well-known policy researcher, reviewed the meaning of inter-governmental relations and regional governance in Taiwan through disjointed-incremental theory, and indicated that the structural problem, no matter whether political or institutional,

mainly results from the centralised political power in the relationship between central and local governments. As well as the influence of centralised power, worsening local politics and political culture¹⁹ also led to conflicts and tensions between governments (Chao, Y., 2003, p.55). Thus, the tradition of centralised planning and the conflicts between political cultures are two reasons for the disharmony in vertical integration within the administrative system.

In a related field, public administration, Taiwan, has been profoundly influenced by the concept of an integrated bureaucratic hierarchy and diversity in systems, and steps have been taken to address local government institutional reform since the late 1980s. Li, C. introduced a new managerial regime theory based on new institutionalist theory to analyse new and old institutions in transformation, which highlights new institutionalisation and deinstitutionalisation (Li, C., 1999, p.57). He states that the managerial regime is a kind of political arrangement and can be interpreted in two ways in relation to inter-government management. First, the principle of sharing power must be satisfied by introducing a partnership mechanism. Secondly, given power, the managerial regime can make local government an enabling authority or steering authority (Ibid., pp.59-60). According to Li, C. managerial regime theory can assist in building up cooperation between governments, whatever the type the cooperation.

Both Chao, Y. and Li, C. have focused on the issues of policy coordination and stressed its importance in their recent studies. Chao, Y.'s (2003) concern was the relationship between powers in vertical and horizontal dimensions, whilst Li, C. (1999)

¹⁹ More descriptions about this have been presented in Section 3.2.

paid more attention to the institutional design of power rearrangement- metropolitan governance. Yet, even though academics who discuss intergovernmental relations stress the significance of policy coordination, they seem to focus on the distribution of power between governmental organisations rather than the interaction between agencies during the policy-making process.

Policy coordination issues are considered in relation to intergovernmental relations in academic discourses, where the focus is mainly on administrative effectiveness, government reform and regional governance. The relationship between central and local governments is also highlighted. However, apart from the concern with the vertical central-local relationship, it is worth noting that most discussions about the horizontal coordination emphasise on the relations between territorial governments, especially cross-border cooperation, while only a few research projects focus on policy coordination between different sectors as a whole. The lack of crosscutting planning study leaves a gap in the literature, which this study seeks to address since its main focus is on the interaction between sectors and its main aim is to explore policy coordination through the institutional approach.

3.5.3 Policy coordination issues in relation to regional planning

Policy coordination at the regional level was a significant obligation of the Taiwan Provincial Government, however, there has been a political vacuum between central and local governments since the governmental restructuring in 1999. After 1999, twenty-three local autonomies are supervised by a strong central government which has replaced the former Provincial Government's responsibility for policy coordination between local authorities and sectors.

In theory, central government should have taken over the full functions of the Province government, however, because it did not, at the regional level, fragmented policies and rising conflicts between local authorities and sectors led to chaos resulting from the lack of political power (Chao, Y., 2002). The highest administration, the Execution Yuan, has not yet realised how to manage those affairs transferred from the Provincial Government, including policy coordination at the regional level. Before Government Restructuring, Provincial Government, as a middle administrative level, was in charge of policy coordination and intergovernmental cooperation. The removal of the middle administration and the failure to assign its role to another or other agencies have produced more problems. Some cases have demonstrated fragmented policy implementation, the lack of crosscutting planning and disharmony between local authorities after government reform in 1999. According to Tsou (2004), the influence of central government on local integration has been decreasing with the rise of individual local autonomy. Therefore, the lack of administrative integration at the regional level is thought to be a by-product of the 1999 reform. Although it is not the only reason for such fragmentation today, there is a gap between state and local administration.

However, some point out to other causes for this problem, in relating it to fragmented administrative boundaries. The scale of local division is thought too small to address strategic planning and therefore local administrative territories are not capable of doing so because it has been fifty years since the last review of local government boundaries (Chao, Y., 1997). The current territories of local authorities were drawn up in a specific historical and political context; however, after half a century, it is seen as an impractical and ineffective design (Chen, H-S., 2001). The small size and unrealistic territory is criticised as being unable to manage local development, and it

is also contended that unbalanced political power between central and local government levels has forced planning powers to become more centralised, which in turn, has resulted in fragmented integration between central government and local authority policies, especially as there is no regional administration in Taiwan (Chao, Y., 1997). As a result of the increasing conflicts in relation to planning between government levels, many maintain a new strategic planning mechanism is necessary to promote policy coordination and intergovernmental cooperation, hence the term 'regional governance' has come into the discourse area (Chou, T., 2001).

3.5.4 The cross-territorial governance debate

In Taiwan, the debate on regional governance can be divided into at least two domains: the need for cross-territorial governance and the lack of policy coordination mechanism. The former focuses on increasing conflicts between counties and cities competing for limited regional resources and infrastructure subsidies from the Executive Yuan, while the latter pays more attention to cross-sectoral policy linkage at local and regional levels.

Regional government is frequently suggested to fill the need for response to cross-territorial governance. It has been at the front of discussion since Chan Lien, former president of KMT and the KMT presidential candidate in the 2000 and 2004 presidential campaign, announced that the regional government is a resolution to the problem of fragmented planning which is one of the government's main goals to resolve. As the National Policy Foundation, a think tank of the KMT, pointed out, there are also problems with regional development.

'Firstly, regional disparity is widening; second, the small scale of local administrative territory is not conducive to compete with global competition; third, the current local administration is thought inefficient, and finally the scale of local autonomy is too small to coordinate and integrate local resources.'

(National Policy Foundation, 2004)

To resolve these problems, the National Policy Foundation suggested the following actions:

- To enlarge local government;
- To improve administrative efficiency;
- To balance regional development, and
- To improve local competitiveness (*Central Daily News*, 15th Jan 2004).

Referring to regional government, this KMT's think tank emphasised five principles:

1. Restructuring to better integrate existing local units; 2. The size of the regional territory should be based on the metropolitan commute boundary; 3. The regional government must bring every county and city together to achieve regional common goals. 4. The aim of regional government is to establish several international metropolises. 5. The ultimate mission is to establish regional economies.

Chi (2004a), a member of the KMT think tank, suggested the term regional government should in fact mean regional governance, a kind of local governance to strengthen local autonomy. The proposed combining several counties and cities to form a metropolitan government and this enlarged autonomous body could coordinate regional resources. In another paper (Chi, 2004b), he stated that central government

should avoid intervening in the public affairs of inter-local autonomous bodies and transfer power to local governance mechanism.

The opposition party's (KMT's) advocacy of regional government was unsurprisingly not supported by the Execution Yuan' because the DPP supported a two-tier governmental hierarchy rather than a three-tier system. Jian-Long Lin, former spokesman of Execution Yuan (2003-2004) argued that regional government would complicate the administrative hierarchy and weaken local democracy (<http://lifelonglearn.cpa.gov.tw>, accessed 27th Apr 2007). He contended that two-tier government is suitable for Taiwan and the National Spatial Planning Act, then undergoing a legislative review and approval process, would offer a complete mechanism for national and regional planning (see Section 3.6.3 below)²⁰.

Many academics argue that adjustment to local administrative divisions an alternative to the establishment of regional government. They maintain that devolution of governance could integrate public and private sectors and create a partnership which would increase administrative effectiveness and reduce internal conflicts (Chao, Y, 2002). As described in Chapter Two, the significant difference between 'government' and 'governance' is that the former simply emphasises public organisation while the other is more like a process and network, which includes both public and private sectors rather than public agencies. Hence, Yeh (2004) suggests that the British experience of local strategic partnership could be an option for local governance. Considering partnership and regional cooperation, Chen, L-K. (2006) proposed regional collaborative management to deal with regional governance. He called for

²⁰ It was the Executive Yuan's response to the issue of creating regional government on 4th Jan 2004.

institutional change to build a cross-territorial cooperation mechanism and suggested that administrative contracts and agreements should be temporarily applied until the mechanism was established.

When the draft of the National Spatial Planning Act was passed to the Legislative Yuan in April 1997, various debates on the need for cross-territorial governance were generated. Though most agreed on the importance of institutional change, there were various ideas put forward but little consensus on them. Suggestions ranging from regional government to a policy director commission illustrate the complexity of regional planning and differing understanding of regional governance (see Chao, Y , 2002, Chi, 2004a, and Chen, L-K., 2006)

3.5.5 Policy coordination between sectors within regional planning

Compared to the vigorous debates on cross-territorial governance, the topic of policy coordination between sectors seems to be less attractive to scholars and professionals. Most relevant academic works focus on the National Comprehensive Development Plan and the processing of the National Spatial Planning Act. Chen, L-H. (1995), referring to the evolution of land use planning, suggested the establishment of a national land planning authority might reduce the fragmentation of planning, while Chang, L. (1995) and Wang, H-K. (1994) both argued that the establishment of a national planning authority might be helpful for horizontal policy coordination at the central state level.

After analysing relevant studies on policy coordination in relation to land use planning, Chen, M-T. (1997) concluded that the main challenge facing the existing land use planning system is the lack of inter-organisational communication and

planning coordination due to a complex administration without a single planning authority to address crosscutting coordination. In his study, he found conflicts existing among local planning authorities even though they were under the same local government, e.g. the Economic Affairs Bureau and Public Works Bureau, since there was no linkage between sectors, from the central to local level. Therefore he emphasised the need to set up a Planning Directors Commission for both central and local planning.

Though there have been some studies of national land use planning, there seem to be few academic works which have specifically focused on planning policy coordination at the regional level. As mentioned in the previous section, some researchers have mentioned the lack of a coordination mechanism at the state and local level, i.e. Chen, M-T. (1997), but have not explained how policy coordination works at the middle level. It is worth noting that the growing debates on national spatial planning seem not to pay attention to the issues of crosscutting coordination, especially at the regional level.

Even though academics who argue about intergovernmental relations stress the significance of policy coordination, they seem to focus on the relationship between powers or organisations rather than policy coordination during the policy-making process (see Section 3.5.2). There are also few studies on coordination in relation to land use planning with other policies; hence the important contribution of this study in attempting to fill in the gap in the extant literature.

3.6 Taiwanese Planning in Transition: The Promise of Spatial Planning

3.6.1 Policy integration under the developmental state strategy

In Taiwan's national strategies over past decades, economic development has been identified as a significant public interest hence has been viewed as a priority policy for government. Though economic development is a significant issue for every country, economic policy has an absolute priority for developmental states which regard economic growth as a primary benchmark for governmental performance.

Developmental state theory argues that the obligation of the state is to promote industries through an overall strategy, including the supply of industrial land (Lin, C-Y, 1996). Government therefore needs to establish a solid economic planning framework, which includes elite groups, bureaucracy, policy networks and the private sector. The reason for this is the unchallengeable status of economic policy which is even more significant than political concerns sometimes. The developmental state strategy is thought of as an efficient approach to promote economic growth in developing countries, and has been very popular among newly industrial economies in East Asia, e.g. Taiwan and Korea (Newman and Thornley, 2005).

Following a developmental state approach, it is not surprising that concern about economic development takes precedence over all other policies in Taiwan. In this context, land use planning in Taiwan is placed within the dominant economic planning framework and plays a role as an instrument for economic development (Kong, 2000). This might be the reason for the lack of spatial planning in Taiwan,

since national development plans are strategic, have a monopoly status, and economic policy dominates in them, instead of crosscutting and inclusive coordination.

In the 1970s, there was a series of discourses in relation to the need for an integrated planning system coordinating various governmental activities, including economic policy and land use planning. As a response to it, in the late 1970s, the Taiwanese Government set out to analyse the poor correlation between public infrastructure planning and the requirements of economic development in order to remove all obstacles to economic performance (CEPD, 1979, p.1). Notwithstanding that the primary concern at this time was enhancement of economic development of the country as a whole rather than making a complete spatial plan for national planning as a whole, this was the first time in which the relationship between physical planning and economic planning was taken into account in the central government's policy. The first National Comprehensive Development Plan (NCDP) was therefore subsequently in 1979, which provided guidance for all development plans underneath. As a top national development plan, the NCDP was expected to achieve the following aims:

- to make an appropriate distribution of population and economic development;
- to improve the living and working environment;
- to coordinate the use of national resources.

The National Comprehensive Development Plan (NCDP) published in 1979 stressed the distribution of population and improvement of the environment rather than strategic planning. Moreover, the non-statutory status of the NCDP made it difficult to supervise the regional planning and urban planning conducted by local planning authorities to achieve the goals listed in the NCDP. The planning administration in

Taiwan relies on 'legitimated plans', therefore the NCDP, as a 'non-statutory upper plan' which has not been legislated, cannot direct those secondary plans made by legitimated law (see Section 3.4.1). In other words, local authorities have no obligations to implement those actions listed in the NCDP, while the NCDP is only thought of as a reference blueprint for national development as a whole. This has resulted in a disconnection between central and local planning and led to more challenges to integrated spatial planning (Wang, H., 1994).

3.6.2 National land use planning in transition

As an answer to the above mentioned issues, the NCDP was revised in 1996 to meet the changing economic and land use planning context. In fact, there have been two draft versions of the NCDP: one made by the CEPD, the other drawn up by CPA, under the Ministry of Interior (MOI). The two draft revision of the NCDP demonstrate the confusion surrounding planning accountability since both the CEPD and the CPA thought they were planning authorities for spatial planning. This also indicates the poor coordination between planning sectors, even for such a significant issue. In the end, the CPA version was abandoned so that the version cited in this thesis is that of the CEPD.

The edition of the 1996 NCDP drawn up by the CEPD in 1996 covers not only all the islands of Taiwan but also remote Kinmen and Matsu Islands which belong to Fujian Provincial Government²¹. Moreover, in order to meet the future needs of national socio-economic development, it plans ahead for the allocation and management of

²¹ Although the KMT regime retreated from China to Taiwan in 1949, Kimen and Matsu Islands, parts of Fujian province, have been retained as military bases against China. There is still a Fujian Provincial Government within the Taiwanese administrative framework, though it accounts for only two counties.

land, water and other natural resources, and for the appropriate distribution of population, industry and public facilities. The plan essentially provides an outline of long-term development objectives and policies and targeted the year 2000, when the population was projected to reach 24.19 million²². It is viewed as the first national plan in Taiwan to take aspects of spatial planning into account.

The overall aim of the 1996 NCDP is consistent with environmental conservation since it invokes the principles of sustainable development. It was set up to promote the rational utilisation of land; to enhance the quality of life, and to provide conditions conducive to optimal industrial development. In summary, it has three main objectives:

1. Protection of the ecological environment:

This involves integrating conservation into the development process, utilising resources in a rational and efficient manner, and developing natural resources on a sustainable basis.

2. Improvement of the living environment:

This means creating a high quality of life in Taiwan, reducing disparities between different regions, and harmonising urban and rural development.

3. Development of the production environment

²² The statistics shown in section 3.4 indicate that the current population is much less than the predicted numbers.

This entails pursuing further internationalisation, liberalisation, and technological upgrading, modifying the industrial structure, and establishing Taiwan as an Asia-Pacific regional operations centre.’ (CEPD, 1996, p.4)

As a plan in the highest layer of the planning hierarchy, the 1996 National Comprehensive Development Plan was designed to coordinate different sectors and integrate departmental projects at the state level, whilst the County and City Comprehensive Development Plans were expected to perform a similar function at the local level. However, it is contended that the national and local Comprehensive Development Plans have not achieved what was intended and have some innate critical demerits. First, there is no comprehensive plan linking the NCDP and the County and City Comprehensive Development Plans and there is also no planning authority dealing with planning affairs at the regional level. Despite some wanting the existing four regional plans to take over regional planning affairs, this has not happened to-date. Second, both national and local Comprehensive Development Plans are non-statutory plans in Taiwan. That is to say, they have not been approved through the review and approval procedure in the Legislative Yuan. Therefore, in essence, such plans are like administrative orders which have no planning power to direct the authorities²³ (Shih and Cheng, 2001).

Liao, Senior Specialist of CEPD, described the situation as follows:

²³ In Taiwan, a non-statutory plan does not have planning force to implement planning policies, in other words, it is more a kind of policy guidance rather than a binding plan.

'It (the NCDP) is rather a manifesto than a development plan, thus there is no compulsory implementation for the National Comprehensive Development Plan. Sectoral planning authorities draw up their own policies as circumstances change and do not necessarily take the National Comprehensive Development Plan into account due to its non-statutory status' (Interviewed in September 2006)²⁴

His comments suggest the NCDP was designed initially to coordinate developmental policies and provide a spatial planning framework in which planning activities would be integrated. However, due to it being more like a manifesto, the NCDP, even though it emerged at the highest level in the planning hierarchy, is a non-statutory plan in the Taiwanese planning system, while most other plans are empowered by formal legislation e.g. Urban Planning Law and the Regional Planning Act. Without a legislated bill to rely on, implementation of the NCDP has faced difficulties in achieving its coordinative function of integrating subsidiary planning.

3.6.3 The introduction of spatial planning

The 1990s was an era of dramatic challenges when two momentous phenomena, economic globalisation and political democratisation, impacted on Taiwanese planning. The former trend spreading around the world has led to the need for spatial planning which is expected to reduce internal conflicts, especially in the horizontal dimension, within institutions, whilst the latter has resulted in a fragmented state where frequent tensions between central and local governments have been uncovered and a vertical division has gradually appeared (CPA, 2004, chapter five).

²⁴ This interview was conducted to produce research material for this thesis. The research methodology and strategy are described in Chapter Four.

Although the existing NCDP provides a manifesto for spatial development, due to its limitation mentioned in previous paragraphs, calls for nationwide spatial planning continue to be heard, partly due to the topical issue of sustainable development (see Section 3.5.1) and spatial planning being thought a necessary approach to implement it in Taiwan. Kow-lung Chang,²⁵ a well-known environmentalist in Taiwan, and Cheng, J.D. maintain that for sustainable development of land and resources, it is necessary to embark on government restructuring and reform of the land management system (Chang, K. and Cheng, J., 2002). Referring to the existing government system, they argue that there are too many organisations overlapping without a coordinative framework to make policy action effective and efficient. Moreover, they stress the significance of the regional level, since this is the level, they argue, at which to coordinate plans from different sectors (Ibid., p.9).

Their voices emphasise the need for a more strategic land use plan in order to coordinate those sectors outside the current land use planning system and to integrate future development. More and more academics argue that the lack of a statutory spatial plan results in fragmented planning and an inefficient land use system (see Chen, M-T., 1997; Chou, T., 1999). In answer to the call for spatial planning, the National Spatial Planning Act was drafted in the mid 1990s under legislative process and is seen as a more effective response than the revised NCDP to the demand.

Spatial planning had never been a topic in Taiwanese planning for over half a century due to the domination of the developmental state strategy adopted by the KMT

²⁵ Chang was Minister of the Environmental Protection Administration in Taiwan (2005-2007).

government. Planning policy was simply as instrument to achieve the governmental goal of continuing economic growth. Given the political context at that time, Hua, C.Y. (1994) contended that *'...there will not be a solution for the existing planning system if the CEPD ignores the political context and only attempts to address the problem in technical ways'*.

Similarly, Chou, T. (2004, p.196) points out that Taiwanese planning after 1945 has overemphasised the quantitative index, e.g. economic growth and population and this has led to a spatial divide between cities in the country. Due to this, he argues, such thought no longer meets the needs of Taiwanese planning today. He contends that the focus of Taiwanese planning should move from the quantitative approach, making plans for population layout, to a qualitative approach, i.e. towards spatial strategic management. This view expresses Chou's support for spatial planning. He also emphasises the significance of coordination and institution:

'Facing the challenges of space of flow resulting from globalisation, the fundament of local development is coordinating local resources and shaping identity through building up local institutions and networks' (Chou, T. 2004, p.209).

Chou (2004) also argues that planning requires more work incorporating relevant sectors such as culture and the environment. In fact, the neglect of spatial planning resulting from the developmental state approach has led to lack of integration with environmental planning and vicious competition among localities (Liau and Chou, T., 2000). Accordingly, spatial planning is seen both as a mechanism to coordinate various sectors across administrative territories and planning sectors and helpful for

sustainable development (Department of Urban Development of Taipei City, 2002).

Due to Taiwan's developmental state status, their lack of independence from national economic strategy has made planning officers in Taiwan providers of a planning service rather than planning policy-makers. Moreover, democratic development has resulted in a fragmented governance landscape, including planning policy-making. To reduce such fragmentation of planning, academics have called for cross-cutting integration of policy coordinated by a spatial planning framework (Chou, T., 2004). The pressure from them made the central government admit to the need for a spatial planning framework, hence, the introduction of the National Spatial Planning Act in the late 1990s in response to their call for integrated spatial planning.

At a panel meeting of the Legislative Yuan to review 'The draft of National Spatial Planning Act and the abolishment of Regional Planning Acts', the Minister of Interior, Cheng-Shien Yu, admitted there was a problem of overlapping planning within the current system and ineffective regional planning due to the lack of regional planning authority. He further stated the intention to strengthen and expand the merit of the National Spatial Planning Act not only to land use planning but also to sectoral planning. A new mechanism for the national spatial planning would be set up for policy coordination within the spatial planning framework (Executive Panel Meeting, 3rd April 2002). Yet, some still question the effectiveness of the new spatial planning framework, for instance Legislator Ching You challenged the purpose of the National Spatial Planning Act at the same meeting while he insisted on the need for the existing Regional Planning Acts based on four regional plans.

The review of the literature suggests there is presently wide support for spatial

planning in Taiwan and the term, spatial planning, is stressed in the draft of the National Spatial Planning Act.

3.7 The Research Questions Finalised

Our interest in this study is the coordination of policy sectors at the regional level at a time when political democratisation and economic globalisation are interacting and impacting upon Taiwan. As spatial planning is becoming increasingly popular and regional development has become the focus of planning discourses, how does coordination operate and what roles do actors play in a planning institution in transition and to what extent can there be coordination within the existing system? The foregoing literature review would suggest that Taiwanese planning is still dominated by the central government, yet there are pressures which demand local/regional responses.

As described in previous sections, there is consensus on the need for an improvement in policy coordination. This has to be achieved within a context where industrial policy has profoundly affected national land use planning and large economic projects are inevitably key points for regional development in Taiwan. As aforementioned, distributing the layout of industrial development is a significant section in the four regional plans according to the Regional Planning Act, this leads to a research interest: the role of economic projects in relation to land use planning in Taiwan. As a plan-led planning system, *'how can coordination operate within the planning system for economic project planning?'*

With regard to economic policy, the development of industrial parks is a major nexus in which land use planning and economic planning meet. It has been the case that local governments, municipalities, cities or counties, acquire the land, prepare it and promote it to investors. In the early 1990s, the supply of industrial land was less than that demanded by industrial developers, hence land acquisition was a major concern to both government and investors. However, the situation has since changed. Industrial land remains empty and unwanted due to the lack of demand. This has become a problem for local governments since the big industrial movement to China at the end of the 1990s (Chou, T. 2004).

Moreover, once land use planning is seen as related to other policies, there are inevitably tensions between different purposes and interests over the development and specific use of land. Hence, in the policy making process, *'what is the interaction between policy participants among and within institutions, and how can it affect policy outcome?'* While most academic researchers highlight planning tools and planning conflict (both vertical and horizontal), this study will focus on the relationship between economic planning and land use planning sectors within the policy process, i.e. cross sectoral relations.

A new institutional perspective is believed to offer a holistic picture of policy coordination within institutions. The anticipated strengths of the institutional approach have been illustrated in Chapter Two. However, with regard to the Taiwanese context, there are further advantages of the institutional approach: first, it is helpful for interpreting the interaction between individuals and structures; second, it also provides a panorama to see the dynamic dimension in vertical, horizontal and institutional change over the last ten years; third, and most importantly, it takes into

account historical factors and social embeddedness which has affected Taiwanese society over decades (Cheng, T-J., 2005).

The last two questions are therefore generated. As mentioned in Section 3.2, if bureaucratic culture does matter in relation to politics and policy in Taiwan, *'after the significant institutional changes in the late 1990s, has there been any change in bureaucratic operation in relation to coordination?'* and *'how have the roles changed in the planning sector, given institutional change?'* In particular, the 'rule of human' within the planning context will be a significant element in the field works as few academic works have considered it.

3.8 Conclusion

This chapter has introduced the social context and political culture in Taiwan. It has also highlighted issues with regard to policy coordination in relation to land use planning in Taiwan. It suggests there is a wide understanding of the need for more coordinative planning which, in turn, has resulted in calls for spatial planning. The review of the literature helped to clarify the research interests, which led to the formulation of further research questions. The next chapter explains the research design and methodology employed to answer the research questions.

Chapter Four Research Design and Methodology

4.1 Introduction

This chapter provides details of the research methodologies employed in this study. Based on discussions in the previous two chapters and the literature review in Chapter Two, research questions are formulated in Section 4.2. The research design is described in Sections 4.3. The strength of the case study strategy to explore policy coordination in Taiwanese planning is expanded in this section and thus the three case studies selected to answer the research questions, namely, Tainan Science Park (TSP), Kaohsiung Science Park (KSP), and Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP) are introduced in Section 4.4. The field work setting is described in detail in Section 4.5 and research methods to that data acquisition and data analysis are presented in Section 4.6. Section 4.7 explains how interviewees were chosen for the study, while Section 4.8 provides a brief review of the contents of the chapter.

4.2 Establishing the Research Questions

The literature review in Chapter Two explained the theoretical approach adopted in this research while Chapter Three focused on the policy making process in Taiwan, drew attention to problems within it, and explained why policy coordination is necessary in the Taiwanese planning context. The neo-institutional perspective was

the theoretical approach adopted in this thesis due to its inclusion of multi-elements and its focus on institutional structure. It was therefore considered an appropriate approach to understand changes in Taiwan in recent years.

4.2.1 Research questions

This study's questions were posited based on the perception that the planning policy process is not only affected by Legislative Acts or administration but is evolving through complex interactions between individuals and groups within and across institutions. The assumption of this research is that if an institution determines regional planning activities, there will be changes in relation to policy coordination, the plan making process, and interactions between actors due to significant institutional shifts.

From discussions relating to and interpretations of neo-institutional perspective, it is clear that institutions matter in the policy-making process in that while organisations' or individuals' actions are influenced by circumstances, they also affect the environment within which they occur (see Section 2.6). Thus, policy coordination will change when there is an institutional change.

The literature review indicated that as institutional change occurred in Taiwan at the end of the twentieth century as a result of the movement towards democratisation in politics, there were also changes in the political circumstance and administrative/governance arrangements. Hence, the way policy coordination was implemented within planning and economic development would be expected to change as well. As a result, the following questions were generated by the discussions of Chapters Two and Three:

1. How does coordination operate between the land use planning and economic planning sectors?
2. How have roles changed in the planning sector, given institutional change?
3. What is the interaction between policy participants among and within institutions and how can it affect policy outcome?
4. After the significant institutional changes in the late 1990s, has there been any change in bureaucratic operation in relation to coordination then and now?

4.2.2 Planning context

To understand the planning institutions, it is necessary to explore the planning context. Previous chapters, especially Chapter Three, introduced the planning hierarchy and administrations in Taiwan, and pointed to the concern about fragmented policy making and implementation. Issues about policy coordination have been receiving increasing attention in planning discourses.

As a result of the challenges facing the existing planning system, many academics have called for spatial planning to facilitate policy coordination in relation to land use planning. To achieve this, the existing governmental structure and political culture which have shaped the planning context cannot be ignored. Particularly important in this regard are the government reform, i.e. the streamlining of the Taiwan Provincial Government in 1999 and the shift of central power from KMT to the DPP in 2000. Both events were profound institutional changes and their impacts shaped the current political culture and planning process (see Chapter Three). Based on present understanding of the challenges facing Taiwanese planning delineated in Chapter Three, the current planning contexts is perceived as follows:

1. Fragmented policy making and implementation have become increasingly serious in Taiwanese Planning.
2. Institutional changes embedded in social and political shifts, especially the democratic movement in the last decade, have created a growing gap between central and local authorities.
3. It is argued that a policy coordination apparatus is lacking in the administrative structure and has not yet been researched.
4. It is not clear whether the lack of coordination in the planning system is trending towards improvement or a worsening situation.

The first three phenomena have been referred to in Chapter Three, whereas there is a lack of empirical evidence to forecast future trends. However, expected planning development is not a concern of this study, since an understanding of the current planning context should be sufficient to answer the research questions generated in the next section.

4.3 Research Design: The Case Study Approach

The case study method is selected as a research strategy to explore the study topic, i.e. policy coordination in Taiwanese planning, because the case study is not only a method suitable for exploratory and explanatory research but also an approach that takes a broad range of factors into account.

Though some think the various research strategies should be arranged hierarchically and view the case study as a pilot study for the research as a whole (Shavelson and

Townes, 2002), Yin (2003, p.3) argues that this is a misconception. He contends that the case study is not only an exploratory strategy but can also be used for exploratory, descriptive and explanatory purposes. The choice of each strategy, according to Yin (2003, p.5) is based on three conditions:

(a) the type of research question posed;

(b) the extent of control an investigator has over actual behavioral events;

(c) the degree of focus on contemporary as opposed to historical events

For condition (a), he asserts that the case study strategy is especially useful to answer research questions seeking to ascertain 'how' and 'why', since such questions need to trace events over time instead of frequencies or incidence. For conditions (b) and (c), Yin points out that the strength of the case study method is that it allows examination of 'contemporary events, but when the relevant behaviours cannot be manipulated' (Yin, 2003, p.7). Therefore, it is preferred in doing empirical studies that investigate contemporary phenomena within real-life contexts, especially when the boundaries between phenomena and context are not clearly evident (Stake, 1995). Some may question whether the case study strategy is similar to the historical approach, and Yin agrees that much similarity may exist in the beginning phase of a case study. However, compared to the historical approach, the case study includes two more sources of evidence: direct observation of the events and interviews with the persons involved in the events. As a result, the case study possess a has its unique strength '*to deal with a full variety of evidence- documents, artifacts, interviews, and observations- beyond what might be available in a conventional historical study*' (Yin, 2003, p.8).

However, there are inevitably some criticisms of the case study strategy. A very

common negative idea is that there is a lack of rigour in the case study approach. Moreover, the case study is designed towards a particular result due to authors' bias. It is difficult to deny such circumstances since some case study research has been of poor quality, but this has also occurred using other strategies, such as experiments, questionnaires for survey, or historical research (Ibid., p.10). Another concern about the case study is its capacity for scientific generation, since it only generalises from a single or a few cases. However, what is forgotten is that scientific facts are based on a multiple set of experiments that have replicated the same phenomenon under different conditions and the same approach can be used with multi-case studies in an appropriate research design. Another significant weakness of the case study is that investigators mistakenly see it as an easy method that anyone can use. This weakness can be avoided through a clarified conceptual framework and a scientific data collection approach (Ibid.).

As Yin (2003, p.10) points out, the goal of case study research is to expand and generalise theories by analytic generalisation and this is different from research which enumerates frequencies by means of statistical generalisation (Yin, 2003, p.10). The aim of this thesis is to explore policy coordination and to find out '*how*' the policy is coordinated and '*why*' there are problems occurring. As shown in the previous paragraph, the case study method is an approach suitable for answering such '*how and why*' questions, thus is adopted in this study. At the same time, this study focuses on the contemporary development of Taiwanese planning through various sources, including documents and interviews, and the case study strategy is ideal for examining contemporary situation. As mentioned previously, the lack of policy coordination in the Taiwanese planning system is widely acknowledged but few studies have explored it. The case study approach is ideal for exploring a hitherto

unexplored field and discovering previously unknown interactions between economic and land use planning sectors.

Having chosen the case study strategy for this research for the reasons given, the following sections explain the research design.

4.4 Case Study Selection

As mentioned in chapter three, Taiwan has adopted a developmental state strategy and has focused on economic growth for decades. This developmental strategy has resulted in a dominating economic policy led by flagship economic projects, hence, significant economic projects can be used as a representative index for economic planning. As a result of this context, this study will select three economic development projects as cases in order to examine policy coordination in relation to land use planning through an investigation of the project-making process.

Accordingly, it will investigate the coordination between the economic planning sector and the land use planning sector, both horizontal and vertical relations. Based on the findings generated from the investigation and the analysis of inter-agency relationship and policy coordination in Taiwanese planning, it is hoped the study will be able to explain the capacity of the current policy coordination mechanism.

Though the case study method is ideal for this research, it is worth noting that a wrong choice of case studies can lead to mistaken findings and results (Stake, 2000). As a study whose aim is to understand the planning institution in Taiwan, the first

requirement is to select representative cases, because only representative or typical cases are helpful for understanding the planning institution as a whole and with tight discipline, further study can be generated. Careful case selection can also avoid the criticism of case studies that it is difficult to generalise findings from one or some cases to another (Yin, 2003, p.38). Further, this study focuses on the policy making process therefore projects or project plans that have been made and are still ongoing and require further plan making processes are ideal choices as case studies whereas those projects which have not yet been approved will not be considered in this study. Finally, to explore institutional change over the last decade, the project chosen as cases should have been undertaken between the middle 1990s and 2005, during which time there were dramatic changes in the political circumstances and administrative/governance arrangements. Though this is not a comparative study, the study of project-making processes over time is expected to offer a clear picture of the effect of institutional change in Taiwanese planning.

In short, the case studies chosen were selected for the reasons given below:

1. The case selected had to have been a significant economic development project completed not only by local government, in order to explore the vertical coordination.
2. The case selected had to have been listed as a priority plan in national development plans to ensure it was a representative case.
3. The policy-making process of the case selected had been finished or had nearly reached completion and the case had been implemented or was ready to be developed.
4. The policy-making process of the case selected had been undertaken during the

period of institutional change in the last decade.

Taking these four conditions into account, the three cases described below were chosen to accomplish the research purposes. Their location can be seen in Figure 4.1.

The Southern Taiwan Science Park (STSP) Project

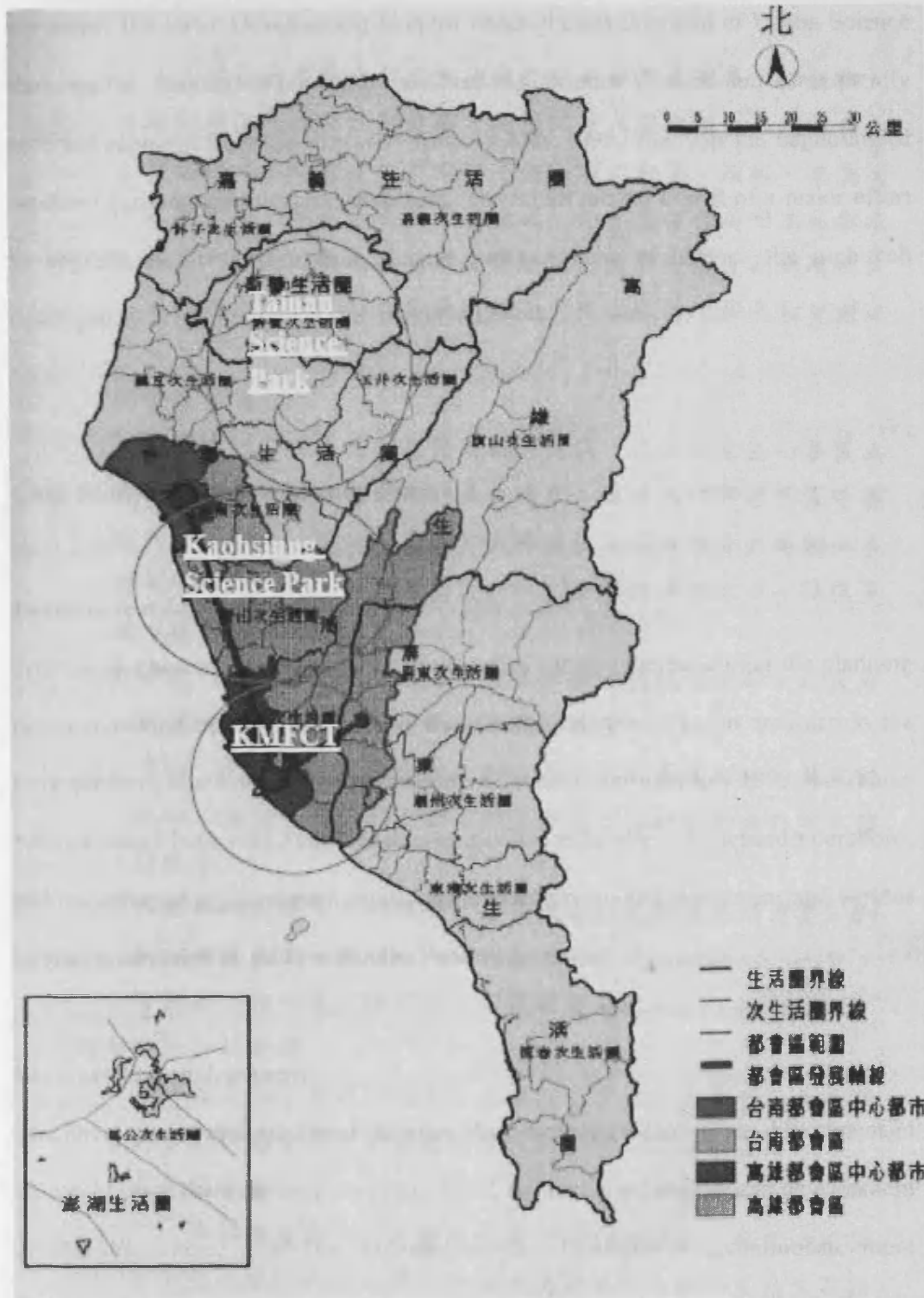
Development Context

The Southern Taiwan Science Park (STSP) project was established under the approval of the Executive Yuan in February 1995. Due to the success of Hsinchu Science Park, the first science park project in Taiwan, the STSP project was purposed as an industrial centre to promote economic development in southern Taiwan.

The Southern Taiwan Science Park (STSP) project comprises Tainan Science Park (TSP) and Kaohsiung Science Park (KSP). Tainan Science Park is situated between the Sinshih, Shanhua and Anding Townships of Tainan County and comprises a total area of 2,565 acres. Kaohsiung Science Park is situated between the Lujhu, Gangshan and Yong-an Townships of Kaohsiung County and comprises a total area of 1,408 acres. There is a newly established Kaohsiung Biotechnology Park on 21 acres of land in the Nanzih District of Kaohsiung City.

Figure 4.1 Location of the Three Cases

Source: CPA (1996)



Kaohsiung County, a further element in the STSP project, was built and opened in 7th

On 1st July 1993, the 2,388th executive meeting of the Executive Yuan approved an Economic Revitalization Project and a science park project in southern Taiwan was proposed. The STSP Development Plan (of which the development of Tainan Science Park was an element) drawn up by the National Science Council and subsequently received approval from the Executive Yuan in May 1995. This was the beginning of southern Taiwan's high-tech development. The STSP project is part of a major effort to upgrade industry in southern Taiwan, with a view to balance the high-tech development areas throughout the island (Jou, 1998).

Case Study 1: Tainan Science Park

Development context

There was a heated debate as to the site location for this project during the planning decision-making process. Its location was finally determined as an area across the three towns of Shanhua, Shinshi and Andin in Tainan County. In July 1997, the Tainan Science-based Industrial Park Development office officially commenced operations, and according to a government report, aggressively promoted investment and various public construction projects within the Park.

Location and environment

The development area of Tainan Science Park comprises 2565 acres. Investment in Tainan Science Park, the first site of the STSP, has increased sharply and development around the science park has expanded rapidly. In order to accommodate more factories and attract new investor, a new development project, Lujhu Science Park in Kaohsiung County, a further element in the STSP project, was built and opened in 7th

July 2001.

Case Study 2: Kaohsiung Science Park (KSP)

Development context

In 2000 when the Taiwanese economy was booming, over 80% of the industrial land available in Tainan Science Park was leased out, and requests for more industrial land continued to pour in. In response to the demand from the hi-tech electronic industries for large-block factory land, the Executive Yuan agreed in May 2000 to designate the Intellectual Industrial Park which had been developed by the Taiwan Sugar Corporation in Lujhu as the site for the second developmental phase of the STSP. The Intellectual Industrial Park became Lujhu Science Park and the project was officially approved on 6th April 2001. The Lujhu Science Park was subsequently renamed Kaohsiung Science Park (KSP) on 27th July 2004.

Location and environment

The second development site as part of the STSP project, Kaohsiung Science Park, comprises a 1408 acre development area which extends across the three town of Lujhu, Kungshan and Yunan in Kaohsiung County. The park is located approximately 16 miles from Tainan Science Park and can be conveniently accessed. This location was favoured because of the already developed roads and available electrical and water utilities. The park is also within easy reach of many public facilities, including some research institutes, human resources, industrial sites, an international airport, and seaport. Other advantages include ease in acquiring land in the park, and the park's prime location and ease of access.

Both TSP and KSP are conveniently located near Kaohsiung International Airport and Kaohsiung International Harbour. With the extensive surface transportation network and quick links to the rest of the world, the STSP is expected to be the science and technology centre of Taiwan in the future.

The relevance of the two science park projects to this research

The Southern Taiwan Science Park Project is the largest government development project in the last ten years. It is part of the central government's economic development strategy, 'Promoting Economic Initiatives', and is supported by the public sector. Due to its significant role in regional development, the STSP project has been a concern not only of central planning authority but also raised local government expectations for improved economic development. To implement such a big project, the science park would require coordination and cooperation across different sectors and levels.

Throughout the developmental period, from choice of location to extension, there were endless debates and conflicts among different sectors and interest groups. Some have pointed out that in the competition between Tainan County and Kaohsiung County to be the first science park location as part of the STSP project, the two counties adopted different approaches to win the bid. While the Tainan County Government attempted to persuade central government through the spatial development strategy, Kaohsiung County Government used local networks to convince the central planning authority to accept its bid.

Despite its defeat in the bid, Kaohsiung County Government was given the

opportunity to become the location of the second site as part of the STSP project. It is argued by Yang and Su (2002), that without well integrated local networks which lobbied the central planning authority and fully supported Kaohsiung County Government in the second bid, it would not have become the location of the second site as part of the STSP project.

Accordingly, the experience of Kaohsiung Science Park (KSP) presents an opportunity to investigate the coordination among central and local agencies, especially that between the economic and land use planning systems.

Case Study 3: Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP)

Development context

In June 1995, the Executive Yuan decided to make Taiwan an 'Asia-Pacific Regional Operations Centre' (APROC). The plan was to design six large-scale centres for air-transportation, media, manufacturing, sea-transportation, telecommunication, and finance.

The City of Kaohsiung is the most important industrial city in southern Taiwan. It contains the Qian-Zhen Export Processing Zone and Nan-Zi Export Processing Zone. Moreover, Kaohsiung Harbour is not only an important transshipment centre in the Asia-Pacific Region, but was the eighth largest container port in the world in 2007 (Port of Kaohsiung, 2008). Due to its merits, Kaohsiung was chosen as the location for manufacturing development and a transshipment centre of APROC. Accordingly,

within Kaohsiung Harbour Zone, Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP) was created.

After receiving the No. 17486 Official Document from the Executive Yuan on June 1996, the Division of Public Works and Urban Development Bureau of the Kaohsiung City began to make the KMFCTP a reality.

Location and environment

The Kaohsiung Multi-Functional Commerce & Trade Park is located on the East side of Kaohsiung Harbour. Parts of the KMFCTP's area overlaps Ling-Ya commercial zone, which is the major commercial activity zone of Kaohsiung City, and its zone neighbours Ling-Hai Export Processing Zone and Kaohsiung Harbour's Container Centre. The KMFCTP is not only a most important industrial development zone, it is also part of the future metropolitan development plans.

The Park encompasses 587 hectares of land. Most of the land originally belonged to Qian-Zhen and Kaohsiung Export Processing Zones, Middle-Island commercial harbour zone, and the commercial zones of Pong-Lai, Yan-Cheng, and Ling-Ya.

Due to Kaohsiung Harbour's unique characteristics, the KMFCTP project is designated to create a multi-functional marine transportation centre. The centre will provide warehousing, transshipment, financial, commercial and other related services.

The relevance of KMFCTP to the research

The KMFCTP Project is part of the 'Asian Pacific Regional Operation Centre' Programme, a long-term national development project set out in 1994, and

undoubtedly one of the significant economic projects in Taiwan. As a complex project, KMFCTP project contains various small plans across the sectors of land use planning, economic development, urban redevelopment, and transportation. Due to the many sectors involved in its establishment, the KMFCTP project offers an excellent opportunity for this research to investigate policy coordination after the governmental shift in 2000, and to explore the relationship between the local planning authority which designed this governmental project and the central government which subsequently approved it.

4.5 Field Work Setting

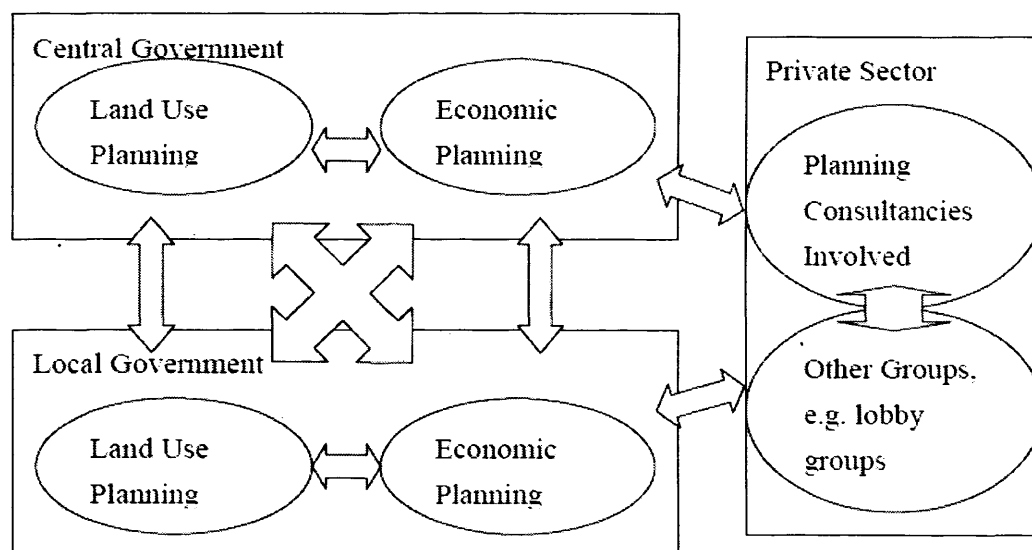
The field work in this research consists of a study of primary and secondary documentation, and interviews. Documentation reading helps contextual understanding, while the interview was the tool primarily used to generate fresh data about the cases and to analyse the institutional relations. The interview method was considered particularly useful for answering the research questions relating to the interactions among actors and the coordination between economic development policy and land use planning.

To explore the horizontal coordination between actors in relation to land use planning and economic planning, it was necessary to take both sectors into account. Moreover, to understand the vertical relations between the central and local authorities, research participants from both administrative layers were included in the interview list. Though the focus would be placed on coordination within governmental institutions, the private sector, e.g. interest groups, would not be excluded if there was proof of

their influence in each project. Anticipated interviewee groups are shown in Figure 4.2.

There were six primary categories set as potential interviewee groups in each case study in order to realise the relational map as a whole (see Figure 4.2). The intention was to interview at least one person from each of the six categories, making 18 interviewees in total (6x3=18). However, it was likely that some potential interviewees would be involved in one or more of the case studies, e.g. officers in the CEPD and RPC, which would reduce the number of interviewees. In fact, 17 interviewees were conducted in total (see Section 4.7 for further details).

Figure 4.2 Anticipated Interviewee Groups



Source: Author's strategy

4.6 Data Acquisition and Analysis

4.6.1 Documents

Documentary data acquisition is particularly important in an empirical study. To ensure data collection from as many sources as possible, four types of documentation relating to the research topic were perused:

1. Legislative regulations and relevant laws
2. National Economic Development Plans
3. Relevant land use plans
4. Working paper for the policy making process

Though only state documents of constitutional or diplomatic origin are recognised as documents by historians (Scott, 1990, p.10), in this study, the term ‘documentation’ applied to any printed or written information related to the topic of thesis. Thus non-official documents, such as meeting memo and notes, were perused in this research, since such documents are important for understanding policy operation. For example, the policy-making process for Tainan Science Park had finished by the late 1990s, and many events were not shown in government documents. To overcome this obstacle, newspapers and magazines were read to obtain information useful for understanding what had happened at that time. Therefore, data extracted from newspapers and magazines were viewed as documentary material.

In addition, interviewing was also identified as a significant approach of gaining data and much valuable information was generated from the transcriptions of interviews. Although government working papers provided some official records, e.g. plan details,

planning schedules, there were untold operations, in particular those relating to personal relationships which were uncovered through interviews. Even though the information elicited during interviews was not available in a previous written form, they generated as much useful information as would have been obtained from documentation.

Both documentation collection and interviews were carried out as part of the field work. In order to obtain the most relevant and valuable information, the investigation method in this study used the snowball process approach for achieving an understanding of the policy-making process in each project. The elite interview technique was adopted to reveal and explore the relationship among the selected individual informants.

4.6.2 Snowball process approach

All three cases selected were significant government projects related to various sectors, and the policy-making process for each case had taken a long time. This made it difficult to access all the actors involved in the policy-making process because there had been a number of people involved in the process and there are too many documents to read related to the process to identify them within the time constraints of this study. Accordingly, to extract the most helpful information from a complex situation, it was essential to pick 'key persons' to interview and collect the 'right documents' to review in order to produce quality research.

The snowball process approach seemed to offer an ideal solution to this challenge. This approach starts from relevant persons in the relationship net and then moves on to others via information offered by interviewees and contacts. The technique adopted

in this study was a modified form of snowball sampling whereby interviewees were asked to identify individuals whom they thought would be interested in or helpful to this study. This process is based on the assumption that a 'bond' or 'link' exists between the initial sample and others in the network (Berg, 1988). However, the greatest advantage of the technique is that it provides a means of accessing a 'hidden and hard-to-reach population' which are 'few in number or where some degree of trust is required to initiate contact' (Atkinson and Flint, 2001). In interview research, the snowball technique can identify experts and people with strong and well articulated opinions. A good example of the snowball approach in planning studies is Saunders' (1979) study of urban politics where interviewees were asked who held power and this led to more respondents (Atkinson and Flint, 2001).

The snowball strategy has its difficulties, of course. One of the most noticeable problems, as Atkinson and Flint (2001) point out, is representativeness of interviewees and sampling principle. Fortunately, this seemed not to be a serious difficulty in this research since the first interviewees offered a useful linkage to an insiders' circle and this process is illustrated in Section 4.7. In general, with regard gaining access to an insiders' circle, the snowball process approach is very useful for those studies focusing on social networks (Johnson and Weller, 2001, p.496).

With respect to the three cases, there were several relevant persons on the interviewee list as a result of reviewing official documents, however, there were still some persons involved in the policy-making process who had not been named in official documents. Moreover, working papers which might have been very important for illuminating the policy decision-making process had never been published. All data in such resources were necessary for policy-making analysis and were what the investigator in this

research sought. However, given that such data sources could not be accessed by the researcher, the snowball process provided valuable data which could be found and which would enable them to draw up the policy networks more clearly. The result of the snowball approach is presented in Section 4.7.

4.6.3 Elite interview technique

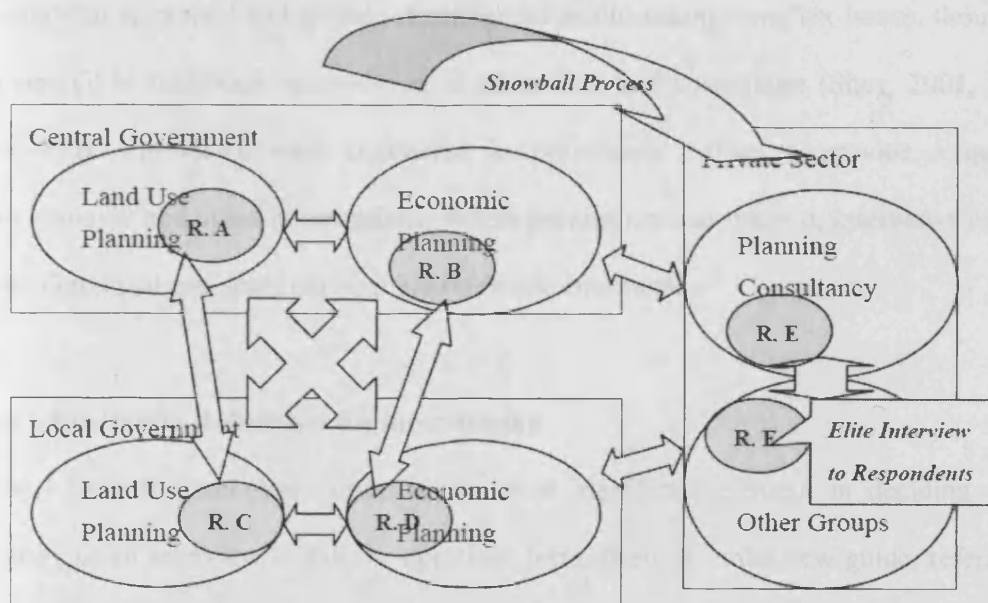
Another technique for data production that was used in this study was the 'elite interview'. Although the term 'elite' seems to be ambiguous, it can be defined as 'specifiable groups of persons' who possess power and privilege (Marcus, 1983). According to such a definition, the designation of whom or what is elite may be various and depends on the subject of the study. Individuals or groups may be elite, on the other hand, associations and sectors can be identified as elites, too. Whatever the designation is, it is dependent on broader understandings of power and society (Odendahl and Shaw, 2001, p.301) as described in Chapter Two of this thesis, and that is what this thesis address in the Chapter Two and Three.

In this study, the term meant those actors involved with economic development projects in the planning process. Having decided upon the meaning of 'elite', it became necessary to find the 'right' respondents, those in the 'insider's circle' of policy coordination in order to achieve an understanding of how relationships were built up. The potential interviewee list comprised the participants in policy coordination in relation to economic planning and land use planning sectors at both central and local levels and in the private sector. There were at least two criteria for the choice of informants: first, they were thought of as policy-makers within organisations; and, second, they had participated in the economic project selected or they had most knowledge about the project in the sector.

4.6.3 Semi-structured Interviews

Yet some may question the accessibility to anticipated interviewees. In order to conduct elite interviews, the most significant concern is accessibility to respondents and this is the very reason why in this study the snowball process was adopted in conjunction with the elite interview method. As Odendahl and Shaw explain (2001, p.307), the original contact in an elite interview is extremely helpful and ‘insiders’, if there are any, are very helpful for establishing rapport and trust with other potential elite interviewees (Atkinson and Coffey, 2001). ‘Who knows whom’ matters in applying the elite interview in order to explore the network within which informants move and operate. Therefore, the best entry to an elite group for a researcher is through themselves of the ‘elite group’ (Odendahl and Shaw, 2001, p.301) and this is the strength of the snowball process. The design of the data acquisition process is shown in Figure 4.3.

Figure 4.3 The Design of the Data Acquisition Process



Source: Author's strategy (R.A means Respondent A)

4.6.4 Semi-structured interview

Interviewing is a significant mode of data collection in policy research and takes several forms- structured, unstructured and semi-structure interview. In this research, there was a clear focus on exploring the relationship between economic and land use planning sectors, and the investigator elicited information relating to the planning decision process via interviews (Bryman, 2001, p.315). The employment of semi-structured interview is because of its strength in eliciting informants' view, opinions and experiences and eliciting rich and in-depth information to obtain a full understanding of the informants' perspective on the topic under investigation (Arksey, 2004, p.268). In order to understand policy coordination as a whole, informants' experience was viewed as valuable data for analysing policy coordination, though the focus was not the individual respondent him/her self.

Most elite interviews were undertaken in person and were processed in informants' offices. An in-person interview has advantages such as eliciting more accurate and thoughtful responses and greater effectiveness in illustrating complex issues, though, compared to telephone interviewing, it takes time and costs more (Shuy, 2001, pp. 537-555). Interviews were conducted in informants' office to provide a quiet environment and avoid interruptions. Where permission was granted, interviews were taped recorded and notes made of interviewees' comments.

4.6.5 Elicitation techniques for interviewing

Apart from the technical concerns, the most significant element in deciding the quality of an interview is still the questions formulated. An interview guide, referred to by Bryman (2001, p.319) was adopted in this research as it offered the interviewer a clear route to follow as the interview proceeded (see Figure 4.4). This interview

guide was used in conjunction with Kvale's (1996)²⁶ nine questions suggested for interviews.

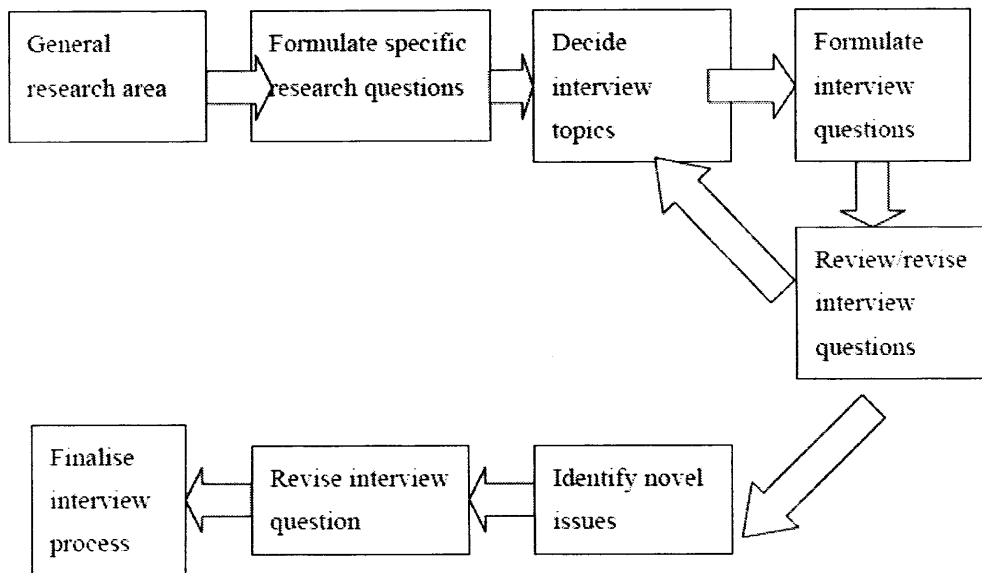
The individual interview is expected to start with some introductory questions and then to elicit the informant's opinion through conversation. Subsequent questions are determined by previous questions and may also be varied according to the respondent's background. Spradley's (1979, pp.85-89) grand-tour and mini-tour question strategies are in an exploratory-explanatory sequence. Grand-tour questions can be informative and are asked to elicit background information, whereas mini-tour also gather information but focuses on a specific event connected with the research topic.

For instance, an introductory question might be: (a) 'could you please tell me about how you became involved with this project' (grand-tour)? Once the respondent has answered this, the follow-up question might be: what is your role in the organisation and in the project? And (b) 'how have you co-worked with other sectors in this project?' If the informant offers many details about the interaction with other sectors, the follow-up question might ask about specific events or activities and their details (mini-tour). Such questioning will provide a broader understanding of the context and lead to a narrower focus on the topic studied. However, it is worth noting that the development of an interview is heavily dependent on the individual characteristics of informants, and good preparatory background work by investigators can improve the quality of interviewing process.

²⁶ Kvale, S. (1996) has suggested nine different kinds of question that most interviews should contain: introducing, follow-up, probing, specifying, direct, indirect, structuring, interpreting questions and silence (give the interviewee the opportunity to answer)..

Figure 4.4 An Interview Guide

Source: Adapted from Bryman (2001, p.319)



4.7 Selection of Interviewees

Following the snowball approach, 17 interviewees selected were accessed for participation in the study (see Table 4.1). The final member of interviewees differed somewhat from the originally intended total of 18. No potential interviewee was found in the planning consultancy field using the snowball process possibly because of the weakness of the private planning sector resulting from the developmental state strategy adopted by the Taiwanese government (Sections 3.32 and 3.61) The names of interviewees together with their position and date of interview are presented below. Interviewees gave their permission for their names to be used in this thesis.

	Interviewee	Title	Interview	Interview Place	Interview Date	Reason of Choice	Post Scriptum
R.A1	Ms. Li-Hong Chen	Head of Department of Asset Science, Leader University	Telephone	3.51 Office, Glamorgan Building, Cardiff University	30 th Jul 2006	A well-known academic on land use planning issues and ex-member of Urban Planning Committee, CPA	Starting point for informants in land use planning system
R.A2	Mr. An-Chiang Wang	Director of Comprehensive Planning Department, CPA	Face to Face	Wang's office, Comprehensive Planning Department, CPA	27 th Sep 2006	Introduced by Ms Jui-Huan Chen	Alternative interviewee to Mr. C.M.Chen
R.A3	Dr. Yen-Jong Chen	Head of Department of Urban Planning, Cheng Kung University	Face to Face	Chen's office	19 th Oct 2006	Introduced by Ms. Shu-Hui Wu	Member of Regional Planning Committee, CPA
R.B1	Dr. Chien-Yuan Lin	Prof. of Graduate of Building and Planning, Taiwan University	Face to Face	Lin's Office, National Taiwan University, Taipei, Taiwan	15 th Aug 2006	A well-known academic on economic planning policy and industrial park	Starting point for informants in economic planning system
R.B2	Mr. Hong-Ka Liao	Senior Specialist, Urban and Housing Development Department, CEPD	Face to Face	Conference room, CEPD	28 th Sep 2006	Introduced by Mr. Chung-Chang Hsu	
R.B3	Ms. Ming-Chu Tsai	Specialist Commissioner Ms. Tsai, Min-Chu	Face to Face	Department of Planning and Evaluation, National Science Council	27 th Sep 2006	Introduced by Ms. Hsiu-Min Chang	Former Chief of Science Park Unit, NSC till mid 2006
R.C1	Mr. Yuan-Jen Hsueh	Official servant of Urban Development Bureau, Kaohsiung City	Face to Face	Conference Room, Urban Development Bureau, Kaohsiung City Hall	11 th Aug 2006	Introduced by Ms. Li-Hong Chen	
R.C2	Mr. Wen-Chin Chang	Official servant of Urban Development Bureau, Kaohsiung City	Face to Face	Conference Room, Urban Development Bureau, Kaohsiung City Hall	11 th Aug 2006	Introduced by Mr. Yuan-Jen Hsueh	
R.C3	Mr. Chung-Chang Hsu	Deputy Chief Engineer, Urban Development Bureau (UDB), Kaohsiung City Government	Face to Face	Deputy Chief Engineer Office, UDB	14 th Sep 2006	Introduced by Dr. Tong-Po Ho	

Table 4.1 The Final Informant List

Source: Author's data

R.C4	Mr. Hsin-Hsou Wu	Director, Department of Urban and Rural Development, Tainan County Government	Face to Face	Director Office, Department of Urban and Rural Development, Tainan County Government	13 th Sep 2006	Introduced by Dr. Chen-Kang Su	
R.C5	Ms. Chien-Yun Hsu	Chief, Urban Planning Sector, Economic Development Bureau, Kaohsiung County Government	Face to Face	Hsu's office	4 th Oct 2006	Introduced by Ms. Hsiu-Min Chang	
R.D1	Dr. Tong-Po Ho	Prof. of Department of Asset Science, Leader University	Face to Face	Meeting room, Department of Urban Planning, National Cheng-Kung University	18 th Sep 2006	Introduced by Mr. Wen-Chin Chang	Ex-Vice Secretary General of Kaohsiung City Government
R.D2	Ms Jui-Huan Chen	Specialist Chief, South Taiwan Science Park Administration	Face to Face	Meeting place, STSP Administration	11 th Sep 2006	Introduced by Dr. Chen-Kang Su	
R.D3	Ms. Hsiu-Min Chang	Sector Chief, Kaohsiung Science Park Division	Face to Face	Meeting room, Kaohsiung Science Park Division	15 th Sep 2006	Introduced by Ms Jui-Huan Chen	
R.D4	Ms. Shu-Hui Wu	Chief, Industrial and Commercial Service Sector, Kaohsiung County Government	Face to Face	Wu's office	13 th Oct 2006	Introduced by Ms. Chien-Yun Hsu	
R.F1	Dr. Tsu-Lung Chou	Prof. of Graduate Institute of Urban Planning, National Taipei University	Face to Face	Chou's office	29 th Sep 2006	Introduced by Mr. Chung-Chang Hsu	Member of Urban Planning Committee, CPA
R.F2	Dr. Chen-Kang Su	Assistant Professor, D. of Land Management and Development, Chang Jung Christian University	Face to Face	Su's Office, Chung-Jone University	5 th Sep 2006	Introduced by Dr. Chien-Yuan Lin	

Table 4.1 The Final Informant List (Cont'd)

Source: Author's data

R.A1 Ms. Li-Hong Chen, Ex-Member of the Urban Planning Committee, telephone interview on 31st Jul 06- led to R.C1 Yuan-Jen, Hsueh interviewed on 11th Aug 06, Urban Development Bureau (UDB), Kaohsiung City Government and Hsueh led further to R.C2 Wen-Chin, Chang , interviewed on 11th Aug 06, Senior Planner in the UDB. Also led to R.D1 Professor Tong-Po Ho, Department of Asset Science, Leader University, and also the Ex-Vice-Secretary of Kaohsiung City Government, interviewed on 16th Sep 06- led to R.C3 Mr. Chung-Chang Hsu. R.C3 Mr Hsu introduced R.F1 Dr. Tsu-Lung Chou, Member of the Urban Planning Committee, CPA, and R.B2 Mr. Hong-Kai Liao, Senior Specialist, Urban and Housing Development Department, CEPD, interviewed on 28th Sep 06- end of process.

R.B1 Dr. John Chien-Yuan Lin, National Taiwan University, interviewed on 15 Aug 06- led to R.F2 Dr. Chen-Kang Su, Assistant Professor, Department of Land Management and Development, Chang-Jung Christian University, interviewed on 5th Sep 06.

R.F2 Dr. Chen-Kang Su led to R.D2Ms Jui-Huan Chen, Specialist Chief, South Taiwan Science Park Administration, interviewed on 11th Sep 06 and R.C4 Mr. Hsin-Hsou Wu, Director of Department of Urban and Rural Development, Tainan County Government, interviewed in 13th Sep 06- end of process.

R.D2 led to R.A2 Mr. C.M. Chen, Deputy Director of Comprehensive Planning Department, Construction and Planning Agency (CPA), Ministry of the Interior (MOI), (replaced by Chen's Director, Wang, An-Chiang due to unavailability), interviewed on 27th Sep 06- end of process, also led to R.D3 Ms. Hsiu-Min Chang, Section Chief of

Kaohsiung Science Park Division, STSP Administration, interviewed on 15th Sep 06 who led to R.C5 Ms Chien-Yun Hsu, Urban Planning Section Chief, Kaohsiung County Government, interviewed on 5th Oct 06.

R.D3 and R.C5 led to R.D4 Ms. Shu-Hui Wu, Industrial and Commercial Service Section Chief, Kaohsiung County Government, interviewed on 13th Oct 06 and R. C5 also led to R.A3 Dr. Yen-Jong Chen, Member of Regional Planning Committee (RPC), MOI, interviewed on 19th Oct 06- end of process.

R.D2 led to Ms. Ming-Chu Tsai, Member of Integration Section, National Science Council, interviewed on 27th Sep 06.

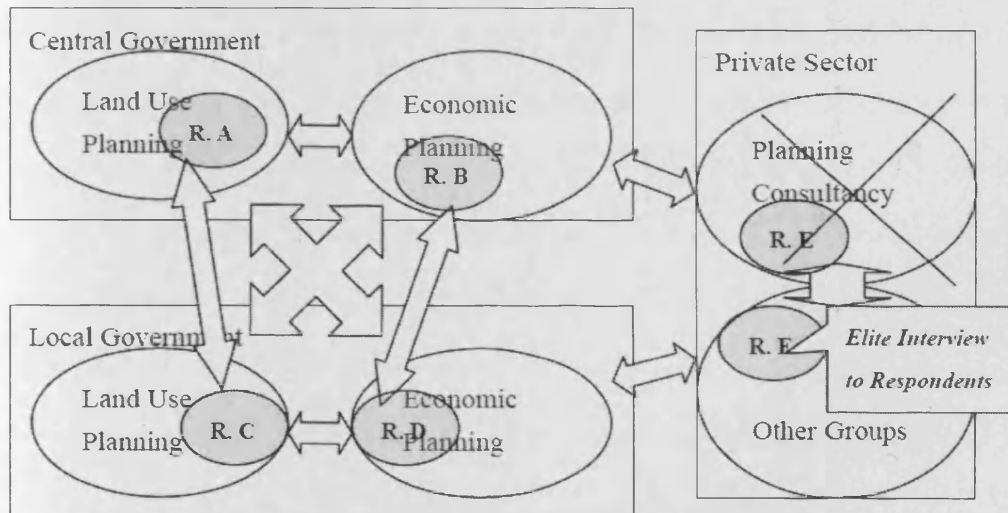
The finding least expected was the very weak connection between the plan making process and private planning consultancies (Figure 4.5). As mentioned in Chapter Three (Sections 3.32 and 3.61), the planning process in Taiwan is supposedly used as an instrument for achieving economic development strategy and dominated by the public sector and the final potential informant lists as a result of the snowball process confirmed this. Therefore, private sector seemed not to be referred to by informants during the snowball process.

The final informant list extracted by means of the snowball process also illustrated the significance of academic groups as well as public institutions in the planning process, since some academic respondents held positions in government, e.g. Dr. Tsu-Lung Chou, Member of Urban Planning Committee and Dr. Yen-Jong Chen, Member of Regional Planning Committee. This suggested that academic groups might also have played an important role in policy coordination through their personal networks in

academia. Further information in relation to this was expected to be obtained from interviews.

Finally, the contribution of the snowball process approach will become clear in the following chapters. With regard to respondents' backgrounds, it was noticeable that many informants chosen by the snowball approach were senior officers who had been involved in the policy-making process for long time. Many of them seemed to know each other and there appeared to be a strong network behind the formal structure. If the snowball process approach had not been used, these relationships would not have been uncovered not would the people in charge of the policy-making process been identified. The findings presented in Chapter Eight provide further justifications for the selection of the research methods used in this study.

Figure 4.5 Final Informant List Extracted by the Snowball Process



Source: Author's data

4.8 Conclusion

This chapter has introduced the research methods and strategies employed in this research. In brief, the primary research methods used were the case study, elite semi-structured interview, and the analysis of relevant documentation. These three methods provided strong triangulation, covered all necessary sources, and overcame the limitation of a single method. The contribution of the strong triangulation is seen in the rich research findings presented in the following chapters.

Chapter Five Case Study 1: Tainan Science Park (TSP)

5.1 Introduction

The development of science parks in Taiwan has been an important issue over several decades. As a developmental state, Taiwan's central government has viewed the promotion of science parks as not only an industrial policy, but also a successful model of economic development (Lee and Yang, 2000). For local governments, the development of a science park means a great amount of investment and an opportunity to upgrade the local economy. Due to the strategic role of the science park, it is not surprising that the establishment of each science park has always attracted attention and competition.

The planning process of Southern Taiwan Science Park (STSP) project had offered a large arena in which bureaucrats, politicians and interest groups, e.g. developers and landowners, interacted. As one of Taiwan's most significant economic development projects in the 1990s, the science park project involved crosscutting cooperation, including the land use planning sector. Studying the establishment of science parks, and specifically the relationship between economic planning and land use planning sectors can contribute to an understanding of policy coordination related to land use planning in Taiwan.

This chapter focuses on policy coordination in the development of Tainan Science Park (TSP), the first case in this study. The TSP project's importance is due to the fact

that it is not only a single industrial park project but also the largest economic development plan established by central government in the last decade. It offers a panorama of governmental actions and also provides a model of how policy coordination is operated in Taiwan's planning system. Yet, there is no research-based account of it in the existing literature.

It therefore narrates the backdrop and context of TSP in Section 5.2 and offers an understanding of the policy making process in Section 5.3. Sections 5.4 and 5.5 analyse economic planning and land use planning systems related to TSP through data collected by means of field work and documentation. Findings from the field study are presented in the final section of this chapter.

5.2 Historical Context and Background Details

5.2.1 Historical Background

On 1st July 1993, the 2388th executive meeting of the Executive Yuan confirmed an Economic Revitalisation Project in which the establishment of the first science park in southern Taiwan was proposed. This would make it the second science park in the country, the first being Hsinchu Science Park (HSP). The development proposal then was still very vague, and the only certainty was that the new development would be set up in southern Taiwan in order to reduce increasing regional disparities. A few years after, the STSP project (which now includes both Tainan Science Park and Kaohsiung Science Park) had been submitted to the Executive Yuan by the National Science Council (NSC), and it received approval from the Executive Yuan in May 1995. This was the beginning of science park development in south Taiwan.

It is believed that the reason the government promoted the STSP project was due to the over-development of Hsinchu Science Park (HSP). The initial plan for HSP had not anticipated its huge success and the high demands for industrial land. As a consequence, there was no more land available within it for further development purposes (Kuo, 2001, chapter 3). Moreover, the developmental model of HSP had had huge impacts not only on local planning but also national development planning since its success showed the science park project was a strategic tool to reduce the north-south divide in economic development, the significant goal of spatial policy in Taiwan.

With regard to the developmental path after the Second World War, economic strategy had become priority of state policy and received full support and a huge budget from the central government. Once the STSP project became a strategic policy, it inevitably became thought of as a driving force of the local economy. Since many counties in Taiwan were suffering from economic restructuring in the 1990s, the development of the new science park seemed to be a solution to the problem. Hence, it was not surprising that there was competition among local planning authorities to have the STSP project located within their jurisdiction as much good was expected to come from it, it would boost the local economy and provide job opportunities (Interview with Dr. Su, Assistant Professor, Department of Land Management and Development, Chung-Jone University, September, 2006).

As a result of local expectations, the STSP project was no longer a simple industrial policy but a spatial strategy to promote economic development in southern Taiwan. That is to say, the STSP project was seen as a major governmental effort to assist

industrial upgrade in the southern region, and to balance the distribution of development areas for the high-tech industry throughout the island (Lin, C-Y., 1996).

Initially, there was much debate as to where the site for the STSP project should be located during the planning process (see Section 5.3.2). The STSP was finally sited in an area stretching across three townships, Shanhua, Shinshi and Andin in Tainan County. In July 1997, the Tainan Science Park Development office officially commenced operations, and according to the government's report, has attracted many companies and much investment (STSP <http://www.stsipa.gov.tw/web>, accessed 2nd January 2006).

5.2.2 Land use plan and location

The Southern Taiwan Science Park (STSP) project, including Tainan Science Park (TSP) and Kaohsiung Science Park²⁷ (KSP), comprises two sites. The first site, the Shinshi site, is 1038 hectares in size and situated among three towns in Tainan County: Shanhua, Shinshi and Andin. The second site, the Lujhu site (discussed in Chapter Six) is a 569.99 hectares development area across three townships, Lujhu, Kungshan and Yunan in Kaohsiung County. Both sites are convenient to Kaohsiung International Airport and Kaohsiung International Harbour (see Figure 5.1).

A perfect location with a completed transport network was the very significant reason that the Shinshi site beat the Lujhu in the final round of site selection. Basically, TSP is surrounded by National Highways No.1 and 8, Provincial Highway T1 and County Road No.178 while National Highway No.3 is nearby.

²⁷ Kaohsiung Science Park will be discussed as the second case in the next chapter.

As a result of the traffic system, TSP is within easy reach of Tainan Airport, and Tainan High Speed Railway (HSR) Station, and relatively near to Kaohsiung International Airport. Figure 5.2 shows the layout and land plan of TSP. Noticeably, there is a high speed railway running from top to bottom of the eastern boundary of TSP which led concerns about the damaging effect of vibrations of passing train on delicate high-tech instruments during the middle phase of development process.

5.3 Policy Making Process of TSP

The TSP originated in is the preliminary plan for the STSP drawn up by the NSC in 1993 and subsequently approved at the 2,388th executive meeting of the Executive Yuan. However, the idea to establish a second science park can be traced back to the 'Six-Year National Development Plan' issued by the CEPD in 1991. In this governmental document, the Taiwanese government first announced the project for a new science park in accordance with the purpose of balancing regional development (see Table 5.1).

5.3.1 The need for the second science park

In the early 1990s, the development of Hsinchu Science Park (HSP) faced a challenge since there was no land available for further expansion and the demand for land was still high. The National Science Council (NSC), the authority responsible for science park policy, faced difficulties in obtaining land for further expansion of HSP in northern Taiwan. Therefore, the central government began to look for an alternative solution, including the suggestion to use a number of empty land areas owned by the

Taiwan Sugar Corporation²⁸. Most of this land was far from HSP and located in southern Taiwan, but it was viewed as a positive way to reduce regional inequality through the establishment of a second science park. The need for a new science park in southern Taiwan was initially confirmed by the Executive Yuan in 1993 (Yang and Su, 2002).

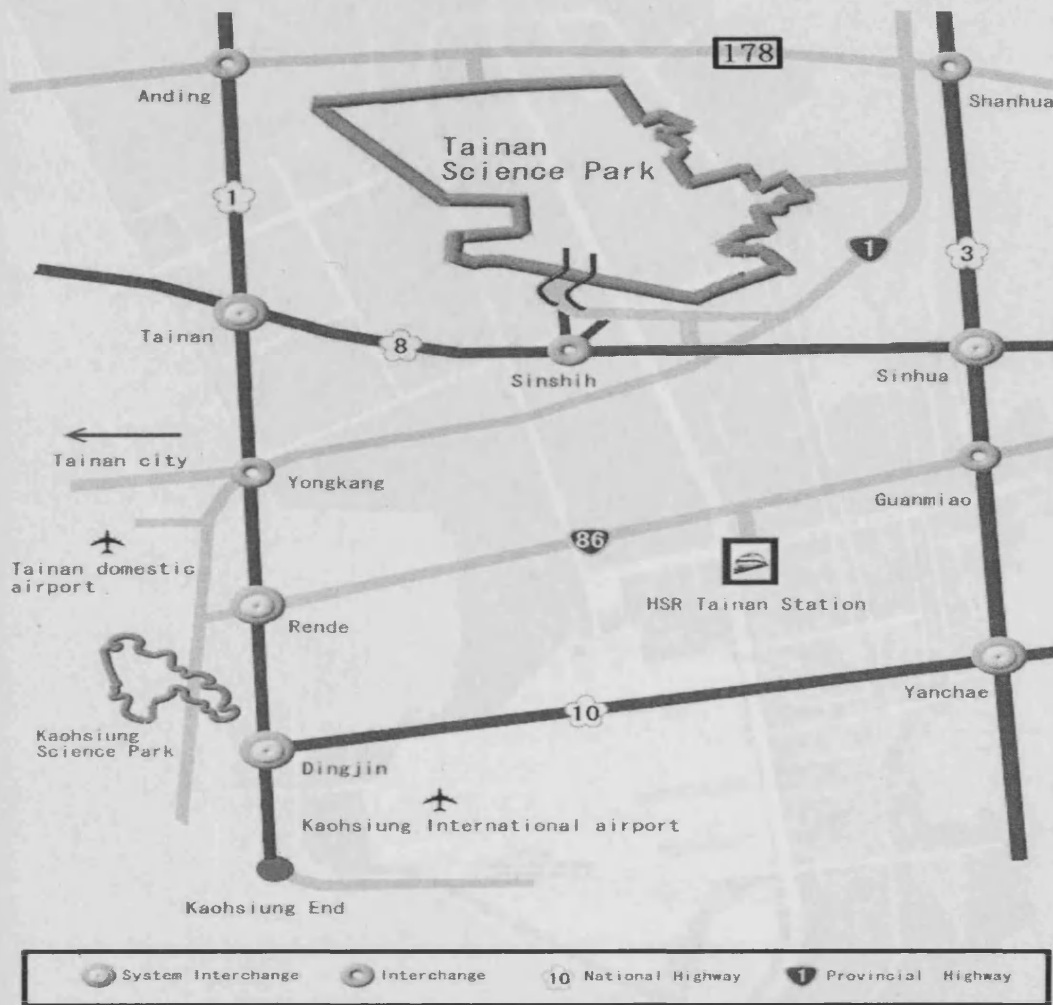


Figure 5.1 The Location and Transport System of Tainan Science Park (not to scale)

Source: STSP website, <http://www.stsipa.gov.tw/web> (accessed 15th Dec 2007)

²⁸ Taiwan Sugar Corporation was a government owned company which owned much farming land in Taiwan.

The policy-making process for Southern Taiwan Science Park (STSP) project elicited much contestation during the site selection process. As previously mentioned, the central government's decision to establish a science park in southern Taiwan was due to the recognised need to promote industrial development and balance regional development. However once the intention to establish the STSP was announced publicly, competition among counties to obtain the investment benefits suddenly intensified and the central government found itself facing the difficult decision of where to locate the STSP.

Table 5.1 Chronological Development of Tainan Science Park

Source: STSP website, <http://www.stsipa.gov.tw/web> (accessed 18th Dec, 2007)

Oct 1990
<ul style="list-style-type: none"> • NSC suggested to the Executive Yuan that a second science park should be established
1st Jan 1991
<ul style="list-style-type: none"> • National Six-Year Plan proposed the establishment of a new science park in order to reduce regional disparity.
25th Feb 1993
<ul style="list-style-type: none"> • NSC published the report-‘Study of Potential Bases for the Second Science Park’ which pointed to Shinshi (in Tainan) as the preferred location, while the two townships of Yanchao and Cishan in Kaohsiung County, were identified as sixth and seventh preference respectively.
1st Jul 1993
<ul style="list-style-type: none"> • The 2338th Executive Yuan Council announced the ‘Promotion of Economic Development’ project, indicating its determination to set up Southern Taiwan Science Park.
Jan 1994
<ul style="list-style-type: none"> • A panel to plan the Southern Taiwan Science Park project assembled by the NSC.

1st Dec 1994

- The NSC set out the assessment criteria for site selection of the STSP.

14th Jan 1995

- The Panel for Site Selection of the NSC suggested Shinshi, Tainan, as the site for the STSP.

25th Jan 1995

- The NSC set up the STSP Work Panel.

28th Apr 1995

- The Executive Yuan approved the STSP project proposed by the NSC which organised the preliminary STSP Administration for construction purpose.

23rd Jun 1995

- The NSC called a meeting with Tainan County Government and Taiwan Sugar Corporation for the purpose of establishing the construction and development plan.

31st Jul 1995

- The NSC submitted an Environmental Impact Assessment (EIA) to the Environmental Protection Administration, Executive Yuan.

13th Feb 1996

- The Environmental Protection Administration of the Executive Yuan accepted the EIA with some restrictions.

22nd Apr 1996

- Regional Planning Committee, CPA, approved the STSP development plan.

6th Jan 1997

- The STSP Administration and Tainan County Government arranged the first monthly meeting to discuss relevant development issues.

25th Apr 1997

- Dao-Ye archaeological site was unearthed.

9th May 1997

- CPA approved the STSP detailed development plan.

9th Dec 1999

- CPA approved the Specific District Plan for the STSP

5.3.2 Site location dispute

There were unsurprisingly many candidate competing in the site bid, however, only two candidates, Sinshih town, Tainan County and Lujhu town, Kaohsiung county, went forward to the last site selection round. In fact, after the initial evaluation, three competing sites went on to the final round: two were in Tainan County, Sinshih and Guiren, and the other was Lujhu, Kaohsiung. According to an interview in September 2006 with Hsin-Hsou Wu, Director of Department of Urban and Rural Development, Tainan County Government, Guiren was removed from the list first because there was another development project planned within it, the Special District of High Speed Railway Station Project, in the area. The County Government wanted balanced development within the county therefore the local planning authority decided to offer full support to Sinshih as the site for the second science park.

In order to choose the most suitable site, a government panel for site selection made up of representatives from academia, government and industries was appointed by the NSC to make a final decision. After several visits to both sites and evaluations of multi-sectoral factors, eventually, surprisingly, Sinshih was preferred to Lujhu, 8 votes to 1, though many thought the votes should have been much closer. During the interview with Director Wu, Department of Urban and Rural Development, Tainan County Government in September 2006, he contended that the decision had been very reasonable because of Sinshih's decisive advantage, namely a large plain site with a rectangular shape and integrated transport system. On the other hand, Lujhu's main problem was its location far from an urban area, and the unattractive fragmentation of the site.

This study's intention is not to judge if the decision was right or wrong, though there

must have been strong determination on the part of those supporting Sinshih to ensure its ultimate victor, since its rival had exerted a tremendous effort to win the bid. Despite there being endless questions about the result, Dr. Su (Interviewed in September 2006) pointed out two crucial points why Shinshih won the bid:

'A significant reason why the Panel finally chose Sinshih as the site for the Southern Taiwan Science Park project was there would be more spare space for further development should the need arise. The experience of HSP's lack of space had indicated that the new project should avoid this disadvantage in advance and should be able to provide more space. The Sinshih site is located in an area with much space for expansion and, compared to Lujhu Town, Kaohsiung County, this was the decisive advantage of Sinshih Town, Tainan County.

Second, an excellent transport system was also a key concern of the Panel. There are three highways and four highway junctions around the Sinshih site (another one is nearby), whilst the transport system around Lujhu Town is not as good as that of its competitor. All the reasons cited above led to Sinshih being the site chosen for the Southern Taiwan Science Park project.'

As mentioned in interviews with both Director Wu and Dr. Su, the concerns of the site selection panel were space for further expansion and the need for a nearby integrated transport system. They were the two primary reasons for choosing Shinshih site. However, a cloud of suspicion has hung over the decision and never vanished, that is to say, some argue that the Lujhu site had a transport system as good as its rival, though its area plan was not as big as that of Shinshih (Interview with Dr. Su). Were

the size of the site and the nearby transportation system the real factors that influence site selection?

Both Sinshih and Lujhu have their advantages, however, it appears that both candidate sites were backed by some very 'powerful persons' who might have intended to affect the final decision during the policy making process according to interviewee comments. Let us review the political relationship Dr. Su spoke of when being interviewed:

'...the former Magistrate of Tainan County, the winner, was Tan-Shan Chen (DPP), while Teng-Hui Lee (KMT) was the President at that time. Though we cannot say how far President Lee was involved with the decision making, it is possible Lee supported Tainan County in the bid since Lee maintained a very good relationship with specific DPP politicians, including Tan-Shan Chen'.

On the other hand, the current Speaker of the Legislative Yuan, Jin-Pyng Wang (KMT), who was the Vice Speaker of the Legislative Yuan at that time, cooperated with the Magistrate of Kaohsiung County, Cheng-Shien Yu (DPP) to promote the Lujhu site as a location for the STSP project. Speaker Wang's constituency belongs to Kaohsiung County and Lujhu Town is Wang's hometown. This implies, in the case of site selection for the STSP project, that politicians put political concern based on local interests above political ideology.

In other words, the rules of the political game at the local level differed from those operating at the central level. While spatial planning had increasingly influenced the planning discourse at the state level, local benefit was the prime political

consideration. Therefore, individual political coalitions had been formed for the same goal of winning the bid in both counties. It is very difficult to tell to what extent such political coalitions had affected the decision-making process but it appears to have been an important factor in policy making in this case (Yang and Su, 2002).

Such informal political networks behind the official planning framework seem to suggest an arena where politics and planning interests meet up. Nevertheless, it would be unfair to conclude that the STSP site project selection decision was determined by political intervention only, since the decision was acceptable in general (Interview with Dr. Su in September 2000): In fact, despite there having been some theories about political intervention, many academics praised the outcome. According to an article written by Yang and Su (2002), if political power had been the sole influence, the final vote would not have been 8:1, a landslide victory to Sinshih; on the contrary, it would have shown a tied result. A better explanation for the result is that politicians might have attempted to defend their interests, but the Commissioners on the Site Selection Panel seemed still to be honest and professional, and made an appropriate decision:

'...intervention from the NSC was negligible and even the panel had not adopted the NSC's advice report. The site selection decision for the STSP project was based on the potential of Sinshih site... a scholar, one of the commissioners, claimed that it was wrong to attribute it to political intervention' (Yang and Su, 2002, p.58).

It is believed that the site selection process for the STSP project had been undertaken with professional concerns, though it was also true that the decision-makers had taken

complex factors including politics into account. As Dr. Su pointed out when being interviewed, there was a bureaucratic mechanism keeping the planning decision on track, despite both central and local governments concern about their political stake in the game. After a keen competition, the NSC eventually respected the choice made by the Site Selection Panel for the STSP project therefore it was determined that the STSP would be set up on the Sinshih site, Tainan County, and the site is called Tainan Science Park (TSP) today.

5.4 Economic Planning Framework for TSP

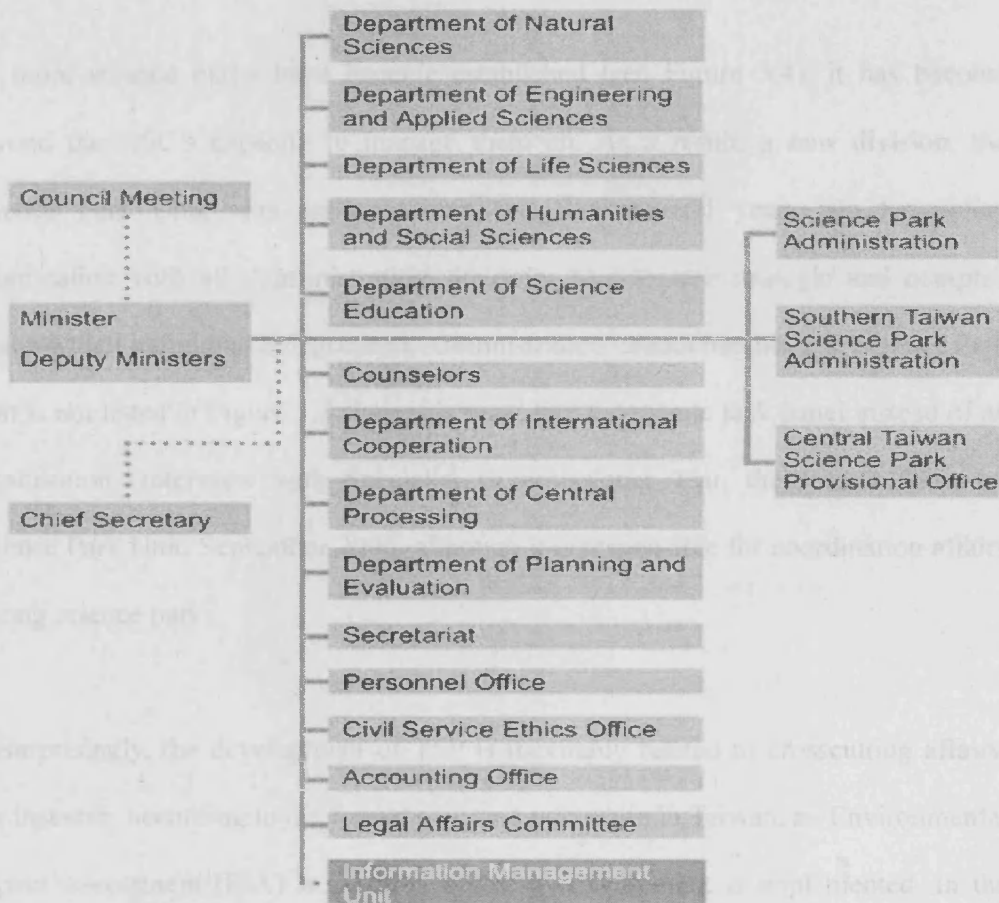
In the administrative hierarchy, all science parks are supervised by the National Science Council (NSC) which is the organisation initially responsible for the promotion of the technology and science industry (see Figure 5.3).

5.4.1 NSC and STSP Administration

With regard to the relationship between the NSC and STSP Administration in policy making, as long as there is a need, the STSP Administration, as a secondary organisation of the NSC, submits suggestions and ideas to the NSC, which can make a final decision or transfer it to the upper level, i.e. the Executive Yuan. Normally the NSC tends to accept suggestions from Science Park Administrations because each Administration knows the best development strategy for an individual science park and also has close contact with local planning authorities. In fact, management of science parks is not the strength of the NSC whose most significant role is to help the promotion of research and design and to draft policies for technology and science industries (NSC website, <http://web.nsc.gov.tw/>, accessed 7th May 2007).

Figure 5.3 The Organisational Chart of the National Science Council

Source: NSC website, <http://web.nsc.gov.tw/>, accessed 7th May 2007



For the NSC, science park policy is only a part of the technology policy. In fact, the establishment of the first Science Park Administration, introduced by Kuo-ting Li²⁹, was the first time it held to implement and manage technology industries in practice, though it had been experienced in policy making in relation to technology for decades.

²⁹ Li was a famous economist in Taiwan and had been Minister of Economic Affairs. He is known as the Father of the Science Park in Taiwan.

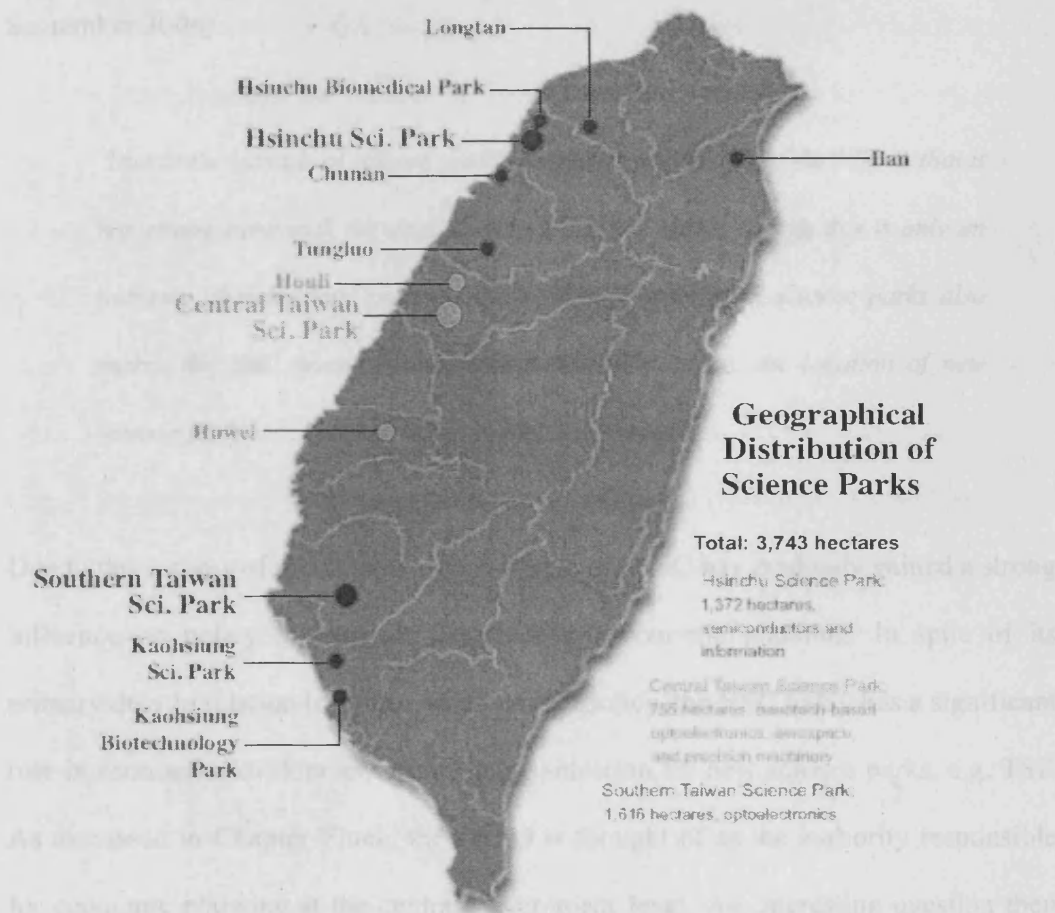
The development of science parks is indeed different from the other duties of the NSC. TSP is the second science park after Hsinchu Science Park, and there have been ten further science parks developed in the last decade.

As more science parks have become established (see Figure 5.4), it has become beyond the NSC's capacity to manage them all. As a result, a new division, the Science Park Unit, was set up within the NSC several years ago for policy coordination with all Administrations in order to integrate strategic and complex affairs which individual Science Park Administration cannot handle. The Science Park Unit is not listed in Figure 5.3 since it is more like a dynamic task panel instead of an organisation (Interview with Specialist Commissioner Tsai, the former Chief of Science Park Unit, September 2006) although it is responsible for coordination affairs among science parks.

Unsurprisingly, the development of TSP is inevitably related to crosscutting affairs. For instance, according to the formal planning procedure in Taiwan, an Environmental Impact Assessment (EIA) is required before a development is implemented. In the official structure of the Taiwanese Government, the Environmental Protection Administration (EPA) is the Ministry in charge of EIA affairs. As a secondary organisation of the NSC, the STSP Administration cannot deal with such issues without the NSC's help. The important role of the NSC in relation to economic planning is as a mediator to deliver comments from each science park administration to relevant central departments or the upper level. In other words, in the case of TSP, the NSC plays a role on coordination and communication at the central government level as long as there is a need of assistance from the higher level; otherwise the STSP Administration is the organisation which deals with most development policies.

Figure 5.4 The Geographical Distribution of Science Parks

Source: NSC website, <http://web.nsc.gov.tw/>, (accessed 7th Sep 2007)



In most cases, the STSP Administration can cope with most policy making and development implementation. Apart from some very special conditions, the STSP Administration manages communication and cooperation with local actors. As regards inter-Administration affairs, it is Hsinchu Science Park Administration which collects suggestions from individual Administrations to resolve problems in relation to conflicts between different science parks. When a problem cannot be resolved, it is the responsibility of the Science Park Unit under the NSC to coordinate with the

actors concerned.

In the mean time, the power of developing science parks has brought the NSC some unexpected benefits, as indicated by, Specialist Chief Chen, STSP Administration, September 2006):

'Due to the success of science parks, the public impression of the NSC is that it has strong links with the development of science parks, though this is only an outcome of technology policy. Such a successful image of science parks also makes the NSC more influential in policy making, i.e. the location of new science parks'.

Due to the success of the science park strategy, the NSC has gradually gained a strong influence on policy making, in particular on economic planning. In spite of its primary duty in relation to research and design policy, the NSC today has a significant role in economic development through site selection for new science parks, e.g. TSP. As discussed in Chapter Three, the CEPD is thought of as the authority responsible for economic planning at the central government level. An interesting question then arises: what is the relationship between the NSC and CEPD in relation to science park development?

5.4.2 The relationship between the NSC and CEPD

As mentioned in 5.4.1, the NSC is the supervisor of science parks at the central level. On the other hand, Chapter Three describes the CEPD as the head of economic planning in Taiwan so how has policy coordination operated between the NSC and CEPD in the case of TSP?

The interview with Specialist Commissioner Tsai, former Chief of the Science Park Unit, NSC, in September 2006 revealed that when a request for assistance from the NSC is made to the Executive Yuan, the Executive Yuan will arrange a coordination meeting and the CEPD will integrate comments from individual departments and offer its suggestions to the Executive Yuan (Interview with Specialist Commissioner Tsai) In fact, the reason that the NSC will reported to the CEPD is the assistant role of the CEPD to the Executive Yuan. Once the CEPD has received a request from the NSC, it will consult with relevant sectors and will offer its analysis to the Executive Yuan. There is usually a meeting chaired by the CEPD where departmental representatives can discuss and present their views. Therefore the CEPD's role is like that of the planner of public infrastructures, and the STSP project is viewed as one of them. In this case, the CEPD regards TSP as one of several economic projects under the national economic planning (Interview with Senior Specialist Liao, CEPD, September 2006). In other words, as the economic planning unit of the Executive Yuan, the CEPD is irresponsible for inter-departmental coordination at the central level.

On the other hand, according to the interview to Specialist Commissioner Tsai, former Chief of the Science Park Unit, NSC, no matter from where an initial idea originates, it is the NSC's responsibility to submit new projects for science parks to the Executive Yuan and this responsibility is bounded by 'The Establishment of Science Park Rule'³⁰. Thus, it would appear there is a conflict between the two organisations, while the CEPD is the highest planning authority in economic planning, only the NSC can

³⁰ The Establishment of Science Park Rule is a written law which regulates the process of establishing a science park.

launch a new science park project. However, 'The Establishment of Science Park Rule' does not diminish the dominant role of the CEPD as the highest economic planning unit in the institutional design, even though the NSC holds the authority for policy implementation. In fact, all the CEPD needs is the endorsement of the NSC for proposals in relation to science parks, as Specialist Commissioner Tsai's honest answer in the interview:

'...it (the project) does not necessarily have to have originated from our planning, but the project must be endorsed by the NSC, no matter whether we agree or disagree with the endorsement'

In other words, her comments suggest that planning activities in relation to science parks require the NSC's endorsement for policy legitimacy. Therefore, although a science park project might have been decided by someone else, e.g. the President or the Premier, whatever the NSC's opinion, it will still be the NSC which will launch a new science park project. This indicates that even though it is the NSC's responsibility to make a proposal for a science park, the decision to set up the new science park is not necessarily made by the NSC. That is to say, the decision to set up a science park may include many different material concerns, e.g. political or strategic development concerns, which are not the responsibility of the NSC.

Though other material considerations might prevail in the NSC's judgement, it seems not to apply to all circumstances, e.g. the site selection decision for TSP. Moreover, it is believed that the need for the second science park originated from a suggestion by the NSC. Going back to the initiation of the new science park proposal, while the government appeared to have first announced the establishment of the second science

park in a plan released by the CEPD in 1991; the NSC had suggested to the Executive Yuan that a second science park should be created in October 1990 in response to a request from the Legislative Yuan. In short, the idea of second science park had been proposed by the NSC prior to the political announcement made by the CEPD in 1991. This implies the initiator of the second science park's establishment was the NSC not the CEPD.

Whatever, the truth of the situation, in the case of TSP, the NSC was the key authority at the central level during the project planning process, though the CEPD might sometimes play a role in policy coordination among Ministries.

5.5 Land Use Planning for TSP

The development area of Tainan Science Park in the first stage was 683 hectares³¹ which all belonged to the Taiwan Sugar Corporation, a government-owned company and also the largest land owner in Tainan County. In 1996, the STSP Administration was set up and its first achievement was to assist Tainan County Government to receive approval of land use switch, from non-urban land use to urban land use, from the Regional Planning Committee (RPC) of the Construction and Planning Agency (CPA) in 1999. After developmental area was confirmed, work on the TSP District Plan commenced in 2000.

5.5.1 The huge gains resulting from land use switch

³¹ The area of TSP is 1408 hectares in total today.

In the Taiwanese planning system, the developmental area for TSP is different from that in the TSP District Plan. The former defines the area of the TSP site, and the TSP District Plan shows the surrounding area supporting the development of TSP, e.g. housing shopping and entertainment facilities. While the management of TSP is the responsibility of the STSP Administration, the TSP District Plan was designated and planned by Tainan County Government. In Figure 5.5, the central area shadowed by the oblique lines is the developmental area of STP, and the surrounding area within the thick red line is the TSP District Plan area.

Land use planning inevitably involves huge gains and loss, and this applied to TSP District Plan making. As a support plan for TSP, TSP District Plan is a big land development project and contains a large area of land for commercial and residential use. This area was originally farm land, however, when its use was changed to commercial and residential use, it became far more valuable. This presented an opportunity for local stakeholders to make substantial financial gains and led to further efforts by stakeholders to have it included in the TSP District Plan. Moreover, such potential enormous gain encouraged local interest groups, i.e. land owners and politicians, to seek for more land use switched³² (Interview with Director Wu, September 2006). This will be discussed further in Section 5.5.2.

³² In Taiwan, agricultural land is bound to farming use and it can be sold to farmers only. Therefore the price of farming land is usually low and the market is very limit.

Figure 5.5 Map of the TSP's Area and the TSP District Plan

Source: TSP District Plan website, <http://tsbipn.tnhg.gov.tw/>, (accessed 19th Sep 2007)



The local expectation of becoming rich through land use switch put enormous pressure on the County Government when determining the land use planning area in the TSP District Plan. Though there had been some instances where land use switch had not fulfilled expectations of financial gain, local politicians were still enthusiastic about land use switch and therefore expanding the developmental area in the TSP District Plan. For instance, in the case of the Sinshih Town Plan, land use switch from

farm land to commercial and residential use led to supply outstripping demand and subsequently little financial gain to stakeholders. Land use switch had gone ahead despite the local planning authority predicting oversupply in the land market due to pressure from stakeholders. In the case of TSP, local interest groups had argued there was a need for more developmental land in order to offer ancillary facilities to companies within the park. However, as in the case of the Sinshih Town Plan, the result was a collapse in the local property market after a few years due to over supply (Interview with Director Wu).

5.5.2 Coordination with local interests

The location of TSP is very special because it crosses three Townships - Sinshih, Shanhua and Anding – which ultimately generated difficulties for District Plan making. Initially, there had been no problem at all in the bidding phase for TSP, since winning the bid was in the common interests of all. A political coalition brought locals, i.e. politicians, landowners and interest groups, together, to gain benefits from the big investment, but arguments soon emerged after the County Government began land use planning work.

Conflicts among the three towns, over issues as small as the name of the area, were not resolved to the satisfaction of all interest groups, until Tainan County Government finally yielded to pressure from such groups and expanded the area of the District Plan from 2400 hectares to 3299 hectares, which has the final area approved by the Regional Planning Committee (RPC) on 5th August 1999 (Tainan County Government, 2002).

In fact, it was risky to increase the developmental area of the TSP District Plan since

the RPC of the CPA, responsible for supervising of non-urban land use switch, had expressed concerns about the dangers of over optimistic planning. In the initial plan made by the local planning authority, the area was bounded by several road networks, i.e. T19A, Highway No.1 and Highway No.8, and a railway track which together made a complete rectangular shape (see Figure 5.5). However, the other two townships, Shanhua and Anding, resisted the expansion in the developmental area and claimed it would result in an imbalance in planning opportunities since Sinshih had been given the biggest area. As a result of this complaint, two more meetings were held and an expansion up to 2800 hectares was accepted.

However, this was not the end of the story:

'When the District Plan had been submitted to the Regional Planning Committee of the CPA for review, Jui-Nan Hu, Chief of Shanhua Township, contended that the boundary of the plan should be pushed further east closer to the railway. After this had been done, he further requested that the boundary line be moved eastwards again to the T1 provincial road. As a result, Shanhua would gain 400 hectares more in developmental areas in the District Plan. Some more meetings were called as a result of this request and Regional Planning Committee subsequently reflect the District Plan to the NSC and asked the NSC make a decision. Giving the reason of it making a completed transport network reaching to T1, the expansion of 400 hectares was eventually agreed. This resulted in a total developmental area of 3299 hectares.'

(Interview with Director Wu)

Hence, the area of TSP District Plan was increased by 899 hectares, which was the

outcome of mutual concession. In the case of the TSP District Plan, local interest groups, such as landlords and political factions, seemed to be the winners while both central and local planning authorities conceded in the bargaining process relating to developmental area expansion. However, the success of local groups might have been attributed to the milieu when TSP District Plan making was being undertaken (Kuo, 2001).

First, as mentioned previously, the reason for setting up the second science park was because of the high demand of land acquisition from high-technology firms and Hsinchu Science Park could not meet their needs any more. Taiwan's economy has relied heavily on the electronic industry therefore not only the NSC but also the Executive Yuan faced pressure and the central government was eager to establish the second science park as soon as possible. Existing circumstances spurred the central government to accelerate the development of TSP and it even yielded to interest groups in respect of the issue of the boundary of the District Plan.

Second, the Chiefs of the three townships of Sinshih, Shanhua and Anding, engaged a very good personal friendship, despite the conflict with respect to the developmental area division in the TSP District Plan. The Chief of Shanhua Township, Jui-Nan Hu, was particularly unhappy about the initial District Plan since he thought Sinshih would end up with the largest developmental area. He also argued that the shape of the area in Shanhua was irregular and not practical for development purposes. Although Hu's argument might be based on furthering local interests, his point in relation to area shape is nevertheless acceptable with regard to planning practice. In Taiwan, since irregularly shaped developmental sites are viewed as problematic by developers. When interviewed, Director Wu, Department of Urban and Rural

Development, Tainan County Government, commented as follows:

'In honesty, an irregular site shape is not welcomed by developers. Fortunately, the regional Planning Committee accepted Jui-Nan Hu's argument and approved the expansion to the TSP District Plan in 1999'.

For Tainan County Government, negotiations with local interest groups were as tough as the competition with its antagonist, Kaohsiung County, in the round for site selection. The ultimate TSP District Plan nevertheless required endorsement from the central planning agency, i.e. the Regional Planning Committee (RPC), since there had been a big switch in land use. A further question therefore is: how did coordination between the local planning authority and RPC work in the plan making process for the TSP District Plan?

5.5.3 The local planning authority's bargain with central government

Although the TSP District Plan was approved in 1999, the gap between the expectation of development and the reality was very pronounced when the field work for this thesis was conducted in September 2006. The TSP Administration did not hesitate to convey their anxiety about the progress of the development of ancillary facilities. When asked about the development of TSP District, Jui-Huan Chen, Specialist Chief, STSP Administration, admitted that most workers in the STSP had not yet moved in, but were relying on living facilities in other large cities, e.g. Tainan City, instead of in the TSP District. Accordingly, did the TSP District Plan reflect a failure of land use planning? The Director of the Department of Urban and Rural Development, Tainan County Government disagreed with this suggestion:

'...the establishment of TSP was earlier than the TSP District, so that it was reasonable to expect that 40% of workers in TSP would have to live in Tainan City rather than the District since there were no ancillary facilities as yet in the area where they were employed' (Interview with Director Wu, September 2006).

It is reasonable to suggest that in the development process, plan making needs to be carried out prior to embarking on the construction process since construction takes place in different phases over time, and without a plan it may become higgledy-piggledy and disorderly. Director Wu believed that development in the TSP District would eventually provide the required ancillary facilities for TSP workers and the construction process would be completed in its entirety.

However, the TSP Administration was not the only one who concerns about the capacity of the County Government to deal with such a big District Plan. The Regional Planning Committee (RPC) expressed concerns about the plan with regard to its huge developmental area resulting from the pressure from local interest groups, though it eventually approved the developmental area submitted. The RPC also seems to have foreseen the delay in progress of 'zone expropriation'³³ when they expresses their concerns about the over-optimistic TSP District Plan in the plan review process. In RPC members' view, the plan was so huge to be effectively implemented by the local planning authority with limited human and financial resources. In an interview with Director Wu, the researcher endeavoured to find out the main reason for the

³³ Zone Expropriation is a method commonly used by local governments to acquire land from landowners for the building of public infrastructures. Landowners receive compensation for the acquisition of their land according to a formulation set by government.

delay in the zone expropriation process, e.g. a lack of human resources, shortage of financial support, his answer was surprisingly direct:

'To be honest, there have been very few successful cases of Zone Expropriation in Taiwan. For example, the developmental area in Danhai New Town, Taipei, is 800 hectares and has cost the Government 60 billion (Taiwanese dollars, around 1 billion sterling pounds) to develop. The development of New Town is still low in standard, even though the CPA, the central government, has taken over this project. You can imagine how difficult it is for the public sector to develop such a big project with a huge area'.

Zone expropriation has indeed become a thorny problem for land use planning in Taiwan. According to 'The Land Expropriation Act', owners of land expropriated can choose compensation by way of cash or the return of a portion of the land after development. Due to the continuing fall in land price led by over supply in rural area, landowners whose land has been expropriated in such area preferred cash rather than the return of a portion of land following development.

In order to resolve the problem of a shortage of cash to compensate landowners for the acquisition of their land, Magistrate Su of Tainan County Government introduced private capital into the land expropriation process. The local planning authority came up with the idea of dividing the huge developmental area of the TSP into 15 individual areas, each comprises 50-60 hectares. The reason for a size of 50-60 hectares was based on planning experience having shown that it was an ideal size covering all necessary facilities, i.e. park, school and making development easy. County Government hence planned to sell each piece of land with small size to

private company for commercial development.

However, this idea was actually not allowable under regulation existing at that time since private investment could not obtain such land prior to the detailed plan making. Second, to attract private investment, the local planning authority eventually allowed private investors to become involved in detailed plan making for, as Director Wu pointed out, *'Without encouragement, it would be difficult to attract private investments'*.

To attract private investment due to a shortage of cash for zone expropriation purposes, the Department of Urban and Rural Development, Tainan County has introduced a method of 'floating zoning' with three restrictions applied to private investors:

- a minimum percentage of land is required for the building of infrastructure;
- a ceiling on floor area development;
- the private investor involvement in detailed plan making must be in accord with the TSP District mast plan (Tainan County Government, 2008).

In other words, the local planning authority would retains the power of making the master plan and releases the power of designating detailed plans to private investors with certain restrictions. Director Wu argued that based on these restrictions, the local planning authority can still introduce innovative planning to meet the needs of the market.

However, the idea of 'floating zoning' was not allowable under existing regulations at that time as previously stated. Director Wu stated that even members of the Urban

Planning Committee (UPC) of the CPA argued that the planning system in Taiwan had become ossified and therefore change was needed. For instance, many decades ago, when land was classified as for residential use, it was not possible to change the use to other usage despite local economy needs. He said:

'There were plenty of difficulties encountered when seeking to make a change, but the fact was, so many planning innovations were bound to this inflexible system' (Interview with Director Wu).

The disadvantages of this ossified planning system had been highlighted in the planning discourse for decades, however, there were few changes until the late 1990s. According to Mr. Chen-Yuan Kuo³⁴ in the interview with Director Wu in September 2006:

'The biggest problem with the planning system is the system's stress on how to avoid the planning abuses rather than exploiting the merits planning can achieve. Without a more flexible system, the local planning authority has no room to promote local development.'

In order to promote the concept of 'floating zoning', in spite of the inflexible planning system, Tainan County Government continued to seek for allowance of it within the planning system and to convince members of the Urban Planning Committee (UPC) of the CPA. Of its importance, Tainan County Government stressed the restriction which stated that detailed plan making made by private investors must be in accord

³⁴ Mr. Kuo is a senior planner in a private consultancy. He was also in the meeting when the interview with Director Wu conducted in September 2006.

with the TSP District Master Plan under the control of the local planning authority to allay UPC members' concerns about the impact of the concept. The planning practice of the TSP District Detailed Plan would also have to be in accord with the TSP District Master Plan, though some planning power would be shared with the private sector. *'Three restrictions, (mentioned in previous paragraphs), would be strictly adhered to and there would then not be too much worry that planning would run out of control'* (Interview with Director Wu).

In order to get the approval of the UPC for the adoption of 'floating zoning' in detailed plan making, the local planning authority determined to exploit personal networks and decided to visit some decision-makers individually, such as the Director-General of the CPA and the Vice Minister of Interior, both of whom had good relations with Magistrate Su. Given a positive response eventually, a turning point was reached and some members of the UPC of the CPA expressed their intension to support this innovative idea (Interview with Director Wu). After extensive negotiations, this improvement to expropriation was approved by the central planning authority.

The success of 'floating zoning' has had a big impact on Taiwanese planning system and more local authorities have requested more flexible planning. Meanwhile, the master plan and detailed plan are no longer bound together and the public sector only takes responsibility for the master plan making.

5.6 Horizontal Policy Coordination in TSP

Section 5.5 explained the relationship among planning actors at both the central and local level, this section will discuss the horizontal coordination within central and local levels.

5.6.1 Horizontal coordination at the central level- the TSP Administration's relationship with relevant central agencies

With regard to coordination with the Ministry of Interior (MOI), responsible for supervising land use planning at the central level, no big problem was found in the research. In this case, the role of the MOI was like a planning inspector that offered counsel rather than approval. The MOI might ask for an amendment to the project submitted to it, but what it was concerned with was the content of the plan; not only the judgement of objection or agreement. On the other hand, the TSP Administration experienced more difficulties in relation to the Environmental Protection Administration (EPA). Most land in TSP had been farming land and in low density use which had been an advantage in its bid for site selection in 1995 (see Section 5.3.2). However, farming land comes under the category of agricultural use and there was inevitably an impact resulted from its development on the surrounding ecological system. According to planning procedure, the EPA has the authority to monitor the TSP's development and it can even inspect the water and electricity supply in TSP. During development of TSP, the EPA was concerned about environmental issues and asked for several meetings. The STSP Administration, perceived the actions of the EPA as more or less challenges, though it also admitted the EPA's underlying intention was to assist rather than to hinder (Interview with Specialist Chief Chen, STSP Administration in September 2006).

From interviews with planning actors, the study discovered several inter-departmental interactions in relation to TSP at the central level. The first concern was the archaeology site found under the construction of the TSP (Tsang, C., 1996).³⁵ Due to the negligent site investigation for TSP, an unexpected archaeology site was found in TSP in 1995 and the discovery put a stop to further construction until a survey of the site had been carried out. In order to preserve the historical treasure, a huge amount of money was needed to excavate and preserve it. However, as its discovery had not been anticipated, the expectation and preservation amount had not been included in the development budget. As a result of this incident, the construction process was brought to a halt at the request of the Legislative Yuan until a resolution to the problem was found. The problem was not solved until the Premier of Executive Yuan intervened and offer a special budget for the heritage excavation (Interview with Specialist Chief Chen).

Another serious problem was the accusation by local farmers that flooding resulting from the TSP's construction, had damaged their crops. Commenting on this, Specialist Chief Chen, the STSP Administration, said:

'Our opinion was that in fact there was a regular flooding in this area every year. Importantly, there was lack of evidence that the flooding had resulted from the construction. However, investors in TSP would not want flooding to affect their factories. To resolve the flooding problem, it required drainage work which is the responsibility of the Water Resource Agency under the

³⁵ The unexpected site contained many ancient objects dating back to 2800 B.C.E.

Ministry of Economic Affairs (MOEA). We also sought the NSC's help report to report the matter to the Executive Yuan.'

Eventually the Executive Yuan dealt with the problem and the STSP Administration obtained a special budget from the central government to initiate drainage work, so the flooding problem would no longer appear in TSP.

The aforementioned incidents suggest that the Executive Yuan is the final decision maker in difficult issues but it is also worth noting the role of the NSC. In the governmental hierarchy, the STSP Administration is directly subordinate to the NSC. During the course of the field work, it was found that although the NSC assisted STSP Administration by reporting the flooding incident to the Executive Yuan in order to find an ultimate solution to the problem, it was in fact the STSP Administration which mostly communicated with other central agencies. Once there was a need for coordination with other departments, the NSC provided very limited assistance and it was the STSP Administration that talked to relevant authorities through formal or informal meetings in order to reach a consensus. The STSP Administration also reported to the CEPD if there were difficulties being encountered in reaching a resolution in inter-departmental communication.

5.6.2 Coordination between the STSP Administration and Tainan County Government

When interviewed with Specialist Chief Chen, STSP Administration, she contended that the STSP Administration had had a conflict free relationship with Tainan County Government since successful development of TSP was a common desire of both sides. It is no surprising that Tainan County Government had won the STSP project because

it had promised to offer a huge amount of undeveloped land for TSP development since it had been looking for a means to drive the local economy. Hence, the STSP Administration experienced cooperation from Tainan County Government. Not only the local planning authorities, but relevant land use planning units at the central level, such as the Environmental Protection Administration and Construction and Planning Agency (CPA) had provided their advisory support during the land use planning process, according to Specialist Chief Chen, STSP Administration. .

The development of TSP had obtained necessary assistance from various sectors in general, yet inevitably some problems occurred during the making of TSP District Plan due to different concepts. While Tainan County Government focused on planning land use in the District Plan making, the STSP Administration concentrated on the development of the science park. As described in previous paragraphs, the local planning authority was affected by continuing pressures from local interest and political groups. As a result of this pressure, there were some delays and changes to development. For instance, the District Plan had been submitted (to CPA) in 1997, but the Regional Planning Committee (RPC), CPA had not discussed this plan until 2000, as there were differing opinions among towns. To satisfy local needs, the areas of District Plan had been increased from 1000 hectares to 1900 hectares and then to 3299 hectares (see Section 5.5.2). The local Planning authority had taken a long time to coordinate the diverse local requests. Although a decision was eventually reached by the RPC, when the new Magistrate of Tainan County took office, he had different ideas about the plan. All those above factors considerably delayed confirmation of the District Plan. Specialist Chief Chen said:

'...we were not there to judge the District Plan but thought its size was

unrealistically large to successfully develop. Nevertheless, we understood local landowners' desire to obtain benefits from the land switch.'

The delayed development of TSP District Plan made the STSP Administration anxious and some incident also made the STSP Administration unhappy to local planning authority. In a case relating to the expansion of the TSP, the local planning authority rejected a request for assistance from the STSP Administration. In the matter of land expropriation, the STSP Administration wanted to transfer the expropriation procedure to the County Government due to difficulties resulting from a conflict which had occurred between the STSP Administration and landowners on a previous occasion when the STSP had set out to establish TSP. The STSP Administration proposed offering 22 billion Taiwanese dollars (approximately 367 million sterling pounds) to the County Government for dealing with land expropriation matters (Interview with Specialist Chief Chen).

Despite the STSP Administration's negotiations with the local planning authority, its proposal was still rejected since Tainan County Government argued that of the local planning authority were to accept the proposal, it would be exposed to a substantial financial risk in land stock. At that time, the property market was prone to fluctuations in land price and it was therefore questionable whether the planning authority would actually benefit from the proposal in the long-term since the expropriation process could take years and the amount offered could depreciate (Interview with Director Wu, Tainan County Government).

Communication with local landowners had never been easy and after delayed finalisation of the expropriation matter. When the local planning authority bought land

from private land owners, it ran the risk of holding a large amount of land that might be unprofitable to develop given fluctuations in land price and economic conditions. As a result, the STSP Administration continued to deal with expropriation matters but at the same time to persuade the local planning authority to take over this role for them. Although the STSP Administration insisted it had a good relationship with Tainan county Government, such relationship at times experienced problems.

The expropriation issue reveals the different concerns of the STSP Administration and local planning authority. The former is concerned with the path of development in TSP, while the latter is more concerned about the financial risk involved and the expectations of local interest groups. In general, the interviews suggest the STSP and local planning authority had a good relationship, the expropriation issue cited is one of the few occasions when they failed to match consensus on an issue.

In spite of some disharmony mentioned above, in general, as regards the TSP District Plan, the STSP Administration's concerns focused mainly on transport designs and the capacity of land for future expansion (Interview with Specialist Chief Chen, STSP Administration). Otherwise, the STSP Administration generally respected the decision of the local planning authority. To promote the development of TSP, the Administration had, subject to strict restrictions, also paid planning consultancy fees to the local planning authority for the planning work it had requested in relation to TSP's development. According to Specialist Chief Chen, the STSP Administration had once paid the local planning authority consultancy fees for drawing up the TSP District Plan. The planning fee amount was approximately 60 million Taiwanese Dollars, (approximately 1 million sterling pounds). The amount was agreed between the STSP Administration and Tainan County Government.

Although the TSP District Plan needed the endorsement of the STSP Administration since it had to meet the development needs of the TSP, the local planning officer also agreed that the STSP Administration rarely intervened in the plan making process. In general, the STSP Administration maintained a good relationship with Tainan County Government, and the local planning authority praised the STSP Administration for its positive attitude towards the making of the TSP District Plan (Interview with Director Wu, Department of Urban and Rural Development of Tainan County Government, September 2006).

Apart from the good relationship, was there any formal institutional apparatus for policy coordination between Tainan County Government and the Administration? Unfortunately, there seemed to be no such device in the current planning framework, however, there had been a more formal mechanism for policy coordination which had existed with the establishment of the STSP Administration.

In the early stage, there had been a one-stop window service³⁶ provided by the County Government. The one-stop window service had worked very well since most works were related to planning affairs only. As the development of TSP progressed, coordination came to involve more crosscutting policies which the one-stop window was no longer capable of dealing with. The TSP Administration therefore needed to maintain contact with individual units within the County Government (Interview with Specialist Chief Chen, STSP Administration), which implies there was the lack of

³⁶ A one-stop window service means an integrated platform whereby the STSP Administration presents all their needs to a single unit which then manages consultation and coordination within Tainan County Government.

formal platform for policy coordination between the STSP Administration and Tainan County Government after the new Magistrate (Magistrate Su) cancelled the one-stop window service provided by the County Government to the STSP Administration.

In spite of the cancellation of the one-stop window service by Magistrate Su, the local planning authority continued to do its best to satisfy the STSP Administration's land use planning needs. It invited the STSP Administration to attend meetings related to the TSP District's development. The STSP Administration also invited the local planning authority to meetings to discuss the TSP's development. Both the local planning authority and the STSP Administration contended that their policy coordination relationship had been to-date very good as indicated in the interview with Director Wu, Department of Urban and Rural Development of Tainan County Government:

'The STSP Administration is responsible for the management of the science park. It had had a very good relationship with us (Department of Urban and Rural Development). From the establishment stage of TSP, we have maintained very close ties with each other, since we try to meet the needs of both sides.'

At the beginning of the establishment phase of TSP, there had been regular panel meetings arranged by both the STSP Administration and Tainan County Government, where many issues had been tackled and resolved successfully. Some ten to twenty meetings had taken place in the first years until there were fewer problems to resolve. Such meeting had not been convened since the administration of Magistrate Su (the current Magistrate) according to Specialist Chief Chen, STSP Administration.

Apart from the regular meeting, there is no standard operation process for coordination between economic planning and land use planning at the local level. In fact, most interactions take place on an informal and flexible basis (Interview with Specialist Chief Chen, STSP Administration). Managers in both sectors had their own personal contacts which helped to facilitate communication. Due to the common aspiration to promote TSP's success, horizontal coordination at the local level appeared to be surprisingly good.

5.7 Key Themes in the Research

Policy coordination between actors and the importance of institutions were two main areas of attention in this study. Several findings discovered during field relating to these two areas are presented below.

5.7.1 Powerful persons in policy coordination

While this research's primary intention was to analyse the interactive relationship in the plan-making process through a neo-institutionalist perspective, unexpectedly, the significance of 'big persons' became apparent in some policy coordination cases. For instance, the STSP Administration faced a difficulty regarding the water supply due to the rearrangement of agricultural irrigation by the Water Resources Agency (WRA) of the Ministry of Economic Affairs (MOEA). The amount of water supply STSP should require to meet forthcoming need over several years was estimated to be 200,000 tons per annum, though not so much would be used at first. It was reasonable for the STSP Administration to claim the future need in advance, a shortage of water could result in serious damage to high-tech instruments. However, the WRA hesitated to accept the

water supply amount due to existing agricultural needs for water for irrigation purposes in the area.

Due to the foreseen serious consequences resulting from a shortage of water, the STSP Administration called for a review of water distribution in the region. In spite of the crucial emergency, Tainan County Government could not offer assistance since water use planning comes under the auspices remit of central government. It is worth noting that there was no immediate response after the STSP Administration had reported the difficulty to the Executive Yuan through the NSC. However, a solution appeared very soon as a result of certain events. In an interview with Ms. Chen, Specialist Chief, STSP Administration, she recalled the story:

'The STSP Administration attempted to seek support from the agricultural sector and reported the matter to the Executive Yuan. Meanwhile, we also informed President Chen of this problem when he visited TSP since we had failed to find a solution to it from the water supply and land use planning agencies out the consensus among sectors in other ways...

...with regard to the term, 'powerful persons', you used. I suppose that means those outside the "normal" administration... Thanks to some very powerful men, for instance, Morris Chang and Wen-Long Shi³⁷, who expressed their opinions on the issue, it was hardly something the Premier of the Executive Yuan and the President could ignore. Soon after, they made a final decision since consensus (between the economic sector and agricultural sector) seemed

³⁷ Chang and Shi both are heads of famous multinational corporations and have a good reputation and strong influence on business and politic in Taiwan.

to be unachievable.'

The turning point appeared to the complaints from Morris Chang and Wen-Long Shi, both are very successful businessmen with huge investments in TSP. Besides their achievement in industry, they are well respected by the government and have been Presidential Consultants (Huang, Y-S, 2006). Specialist Chief Chen's comments intimate that 'powerful persons', even though not in the public sector, played a role in policy coordination due to their influence and access to 'big politicians'. This was also demonstrated in the other case referred to in Section 5.3, during the selection of a site for the STSP project, when 'big persons' also attempted to intervene in the selection process, though it is thought the final decision might still have been based on professional considerations. Nevertheless, both incidents suggest the role of 'powerful persons' was a relevant factor to policy coordination, at least in the case of TSP.

5.7.2 The pros and cons of informal networking

In previous sections, it was suggested that though there was a lack of formal structures involving some actors, e.g. the STSP Administration and the local planning authority, these agencies still remained tied together. This research attributes their good relationship to the informal networks behind the formal planning framework. There have been plenty of examples in previous pages to prove the influence of personal networks, from site selection to the approval of the 'floating zoning' method, when informal networks compensated for the lack of a formal coordination mechanism.

Just as there are positive examples of informal interactions, there are also negative

examples in relation to policy making. The significant role of informal networks points to a weakness in the formal coordination mechanism and policy makers' frustration with informal interactions and/or interventions is demonstrated below. Basically, if a policy is made through the formal administrative process through internal coordination, there will be fewer obstacles to policy implementation. However, if a policy is made without consultation, i.e. a 'top-down' decision made without consultation works, there will be inevitably conflicts in the forthcoming execution of the policy. Specialist Chief Chen, STSP Administration, offered an interesting example:

'There was a case recently... An Environmental Impact Assessment (EIA) for the Central Taiwan Science Park (CTSP) was approved, although some Regional Planning Committee (RPC) members complained their opinions had not been treated with respect and they had even been forced to agree to the approval...'

The underlying story is that there had been a high demand for land acquisition from those companies in the CTSP. Companies had rushed to gain land to develop due to the special characteristic of the electronic industry: the time from order accepted to products dispatched is usually very short. Investors could not wait for the time-consuming EIA process therefore the Vice-Premier of the Executive Yuan presented her concern to the EIA, which was regarded by some members of the Regional Planning Committee (RPC) as political lobbying. It was argued that she should have only paid attention to the development of CTSP for the need of companies, and not intervened on these behalf as such intervention was irregular (see also Section 6.7.3 for more discussion about the political intervention in CTSP).

Such criticism was not only voiced in the case of CTSP, but in relation to other new science park projects which were thought to have been approved without professional approval and through pressure the executive level of government (Interview with Dr. Chen, RPC Member). Under such conditions, departments exposed to pressure will accede to executive level orders so as not to face further pressure in relation to policy implementation (Interview with Specialist Chief Chen). Nevertheless, the reality is that once a decision has been made by the executive level, the bureaucrats will follow the direction given, i.e. from the Executive Yuan in the CTSP case, however, there will be many difficulties that the CTSP Administration will have to face in the future arising from the damaged relationship between it and the RPC.

Once political intervention has been seen to work, more interest groups will attempt to deliver their wishes to the CEPD through ‘powerful persons’ since their projects will go much more smoothly ‘when they have support from “big politicians”’ (Interview with Dr. Chen, RPC Member). Without strong support, a project faces more difficulties, and the purpose of establishing science parks may be buried underneath political concerns. Therefore political consideration preference rather than economic appraisal can come to dominate in the decision making process.

However, there appears to have been an important exception to this. In the case of site selection for the STSP project, Site Selection Panel members focused on professional considerations. Though many argue political intervention had affected, this study suggests that such intervention failed to affect the result.

5.7.3 Institutional change and the response of bureaucracy

The development of TSP has taken for ten years since the significant institutional change of the first ruling party switch in the 2000 Presidential election. A proposition of this thesis is that policy coordination circumstances change with institutional changes since the institution is embedded in the social context and culture. It is therefore presumed there will have been shifts in planning coordination to cope with the impact.

Due to the sensitivity of making a comparison between the KMT government (before 2000) and the DPP government (2000-2008), most interviewees expressed their views very diplomatically. Specialist Chief Chen, STSP Administration, was little more open in the interview undertaken in September 2006:

'I have served in the STSP for 9 years. In my opinion, policy making before 2000 was comparatively stable whereas after 2000 many unrealistic promises have been made by politicians for election purposes. These promises please local people and local interest groups and politicians gain local political support.'

However, such promises made by politicians have not been appraised for their necessity or possibility. Thus, the planning mechanism is ignored and normal planning procedures are not respected. Policy makers within the planning system become even more frustrated and may question their roles. Accordingly, it is suggested that the institutional change in 2000 affected policy making.

The ruling party switch had affected policy making, however, both Specialist Chief Chen, STSP Administration and Director Wu, Tainan County Government insisted

that policy direction had been retained whoever the leader of their respective organisations. This suggests there is another network behind the political network, a so-called 'bureaucratic culture' (Interview with Dr. Su, Assistant Professor of Chung-Jone University, September, 2006).

In other words, the contents of a policy might have still remained due to inter-actor communication within the bureaucratic network and informal channel, such as networks and personal contacts. Maintaining good relationships with each other is therefore important to keep the network functioning, particularly since there may be a change in personnel over time. Although institutional change in 2000 affected policy making process, it had less of an effect on informal networks and policy coordination.

5.7.4 Personality of local leader mattered but direction remained

Section 5.5 referred to the coordination process with local stakeholders, which is a main interest in this research. This section will discuss the decisive role of the Magistrate of Tainan County in more detail.

Although it was the duty of the Department of Urban and Rural Development to negotiate with local interest groups, the strategy that the County Government adopted was determined by the Magistrate's personality. The former Magistrate Chen had been more open-minded and respectful of professionals' suggestions therefore had not minded when local interest groups made various requests or even bargained with the upper level of the County Government. In theory, local interest groups should have shown their respect for the planning authority's lower position in the administrative hierarchy and not approached the upper level directly, however, because Magistrate Chen was not autocratic, he did not intervene local interest groups gained their

objective, i.e. the expansion of TSP District Plan. (Interview with Director Wu, Tainan County Government).

In contrast, the present Magistrate, Magistrate Su, has his own clear view on how development should progress in Tainan County, and his intention is to incline local leaders and local interest groups towards his point of view. In the case of TSP, he also attempts to influence local opinion prior to conducting negotiations with the central government (Interview with Director Wu). As a result, there is only one main opinion heard at the local level. Thus it is clear that the personality of the Magistrate plays a decisive role in the coordination process at the local level.

The STSP Administration also noted a clear difference between the two Magistrates. When interviewed, Specialist Chief Chen commented:

'Possibly due to the different time period, the former Magistrate Chen experienced a harmonious relationship with the STSP, whilst the current Magistrate, Su, faced considerable stress from local interests.'

The interviewee politely refused to be drawn on explaining the difference in detail but implied the praise to the former Magistrate Chen. Recalling the discussion about the coordination between the County Government and the Administration, there had been a one-stop window platform run by the County Government to deal with coordination affairs relating to TSP and it had been the most significant channel of communication during Magistrate Chen's administration. Since the removal of the one-stop window platform, formal coordination has only been undertaken through occasional meetings, though it has not encountered serious problems since the personal network still works

effectively (see Section 5.6.2). Despite Director Wu (Tainan County government) contended that the one-stop window service had ceased due to its inability to manage complexity but its cessation occurred soon after Magistrate Su came to office.

Different Magistrates have had different thoughts on how the relationship between the STSP Administration and County Government should be conducted. However, it is noticeable that this difference seems not to have affected the consistency of planning policy. Director Wu stated when interviewed,

'...this (TSP) is the key to Tainan County's future development. Magistrate Su believes TSP will lead the industrial upgrade in Tainan County, therefore, he is eager to participate in every stage of its development'.

Director Wu's comments highlight the significance of TSP to Tainan County's economic development and show how the personality of the Magistrate can help (or hinder, the coordination process). However, due to the importance of TSP, the main policy direction will not change, no matter who the Magistrate is. For instance, the expansion of the TSP District Plan established during the former Magistrate Chen's administration has not been changed at all, though a new method, 'floating zoning', has been introduced by Magistrate Su. In short, the personality of the leader may affect the approach, however, the direction of land use planning has been inherited.

5.8 Conclusion

In the case of TSP, the STSP Administration has been responsible for policy making,

development implementation and policy coordination while site selection was made by a Site Selection Panel organised by the NSC.

The research surprisingly found the absence of other economic planning agencies in the coordination process e.g. the CEPD and even the NSC had played a limited role. With regard to the vertical relationship in economic planning, according to an interview with Specialist Chief Chen, the NSC accepts suggestions from the STSP Administration especially for those related to individual development at the local. Science park policy is not ordinarily the responsibility of the NSC and, as an organisation for the promotion of technology and science development, it is very difficult for the NSC to manage the various contexts of each science park. Further, it is not the responsibility of the NSC to face various local groups in the political arena, therefore, its subdivision, the Administration of the Science Park, has taken on most of the duties for policy outcome in relation to development.

Despite the STSP Administration receiving limited support from its supervisor, the NSC, there is in fact an informal network for policy coordination at the central level. Through this network, the STSP Administration can manage most coordination with other Ministries. The CEPD is not consulted unless there is a conflict.

On the other hand, the Department of Urban and Rural Development, Tainan County Government deals with land use planning for the TSP District Plan. In this case under study, most coordination had occurred between the STSP Administration and the local planning authority and any conflict appears to have been resolved successfully. Although there was a lack of a formal platform for coordination, communication had worked effectively due to the efficiency of informal networks. Many interviewees

referred to the close tie between the STSP Administration and County Government. This therefore suggests both sides were satisfied with the interactions in general though the personalities of the Magistrates might have influenced the interactive model.

Finally, the matter of the 'big person' must be taken into account in the policy coordination discourses. As mentioned in Section 3.2.2, ruled of man is a very special characteristic in Taiwanese society (Liao, D. and Hsu, C., 2002) and this case has provided much proof of it since it has demonstrated the significance of powerful persons. Such persons are not necessary politicians, however, they have usually affected or even changed the decisions through their personal relations with decision makers. Examples can be found in this chapter from the solution to the flooding problem to the adoption of the floating zoning method. Given the effectiveness of informal networks, the 'big person' with a powerful personal network has become a material factor in policy coordination.

The case study of Tainan Science Park (TSP) provides some provisional answers to the research questions posed in Chapter Four. However, the significance of personality and personal networks in the case study raises the real possibility that the findings reflect the influence of usually dominant or charismatic individuals. Consequently, there is value in a second case study of science park project, and this is presented in Chapter Six.

Chapter Six Case Study 2: Kaohsiung Science Park (KSP)

6.1 Introduction

This chapter analyses policy coordination in the development of Kaohsiung Science Park (KSP) which opened on 7th July 2001. As mentioned in the previous chapter, a science park cannot be narrowly seen as only a single industrial park project because its enormous effect on the local economy always attracts interest groups. Accordingly, the case of KSP, as the case of Tainan Science Park (TSP), presents an opportunity to examine governmental actions and how planning coordination is operated in the development of a science park project.

This chapter will explain the backdrop and context of KSP in Section 6.2 and describe the policy-making process in Section 6.3. While Sections 6.4 focuses on economic planning, Section 6.5 illustrates the land use planning system related to KSP through data collected during field work and documentary analysis. Some findings derived from the field study will be presented in the final section of this chapter.

6.2 Historical Context and Background Details

6.2.1 Historical Background

After the electronic industry experienced a boom period in the late 1990s, over 80% of the industrial land available for the Phase I Site of Tainan Science Park (TSP) had

been leased out by the end of 2000, and requests for more industrial land were continuing to pour in. In order to fill the ongoing demand for industrial land³⁸, in May 2000 the Executive Yuan agreed to the suggestion to set up an Intellectual Industrial Park on the Lujhu site which lost the bid for the location of the STSP in 1995. The Intellectual Park was officially approved by the Executive Yuan to transform it to the Lujhu Science Park on 6th April 2001 and renamed Kaohsiung Science Park on 27th July 2004.

A significant feature of this case is its model of development. The project was a joint development operated by the National Science Council (NSC) and Taiwan Sugar Corporation (TSC). The NSC, as the planning authority responsible for science park policy at the central government level, was responsible for the planning and development of the Lujhu site whilst the TSC offered a huge area of empty land for the site's development. The TSC would then after development receive developmental gains from land use switch. The land the TSC owned was designated as land for agricultural use. After development it would change to land for industrial and commercial use. Both parties, i.e. the TSC and NSC, would gain from this development project. The TSC would derive developmental gains and the NSC would have found a solution to the ongoing demand for land for development purposes. The following section describes the land use plan and location.

6.2.2 Land use plan and location

Kaohsiung Science Park is situated between the Lujhu, Gangshan and Yong-an Townships of Kaohsiung County and comprises a total area of 1,408 acres (570

³⁸ Most demands were from the Integrated Circuits(IC) and TFT-LCD industries for large-block factory land.

hectares). There is another small Biotechnology Park of 21 acres, established in the Nanzih District of Kaohsiung City. The development of KSP is divided into two phases. Phase 1 was implemented in 2002 and phase 2 of development is currently ongoing and is estimated to be completed by 2010 (see Figure 6.1).

Though the Lujhu site failed in its bid to be chosen as the site for the STSP in the first competition in 1995, its excellent location and integrated traffic network led to it being offered the opportunity to become the site of a second science park as part of the STSP project (STSP website, <http://www.stsipa.gov.tw/web>, accessed 18th Nov 2006). KSP is situated between Provincial Road T1 and T17 and National Highway H1 running between Tainan City and Kaohsiung City. Its equal distance to two large cities gives KSP the advantages of a good transport network and adequate skilled labour. Besides the three significant traffic routes, County Road K184 and K186 run across the site from west to east and connect the main highways to form a complete local traffic network. There are also two railway stations, Lujhu and Gangshan, part of Taiwan Railway System nearby the site (Figure 6.2).

In spite of its excellent location, KSP has a decisive demerit, its site shape. Provincial Road T1 crosses the Lujhu site and divides it into two parts and the shape of the site is like a scalene triangle. A divided developmental area with a zigzag boundary may have been significant reasons why it was not selected as the location for the STSP project in 1995 (Interview with Dr. Su, Assistant Professor, Department of Land Management and Development, Chung-Jone University, September 2006).

Figure 6.1 The Layout of Kaohsiung Science Park (not to scale)

Source: STSP website, <http://www.stsipa.gov.tw/web> (accessed 18th Dec, 2007)

Items	Size (Acre)	Percentage(%)
Factory/Industrial sites	511	36.65
Service and administration centre	25	2.29
Residential community	85	6.29
Public facilities	497	24.77
Wild Life area	290	30.00
Total	1408	100.00



Schedules

Phase 1.

1. Area space: 704 acres (361 Hectares)
2. Design date: Apr. 2001
3. **Start of construction: Jul 2001**
4. Company entry: Oct. 2001

Phase 2.

1. Area: 704 acres (209 Hectares)
2. Timetable: Jan. 2004- June 2010

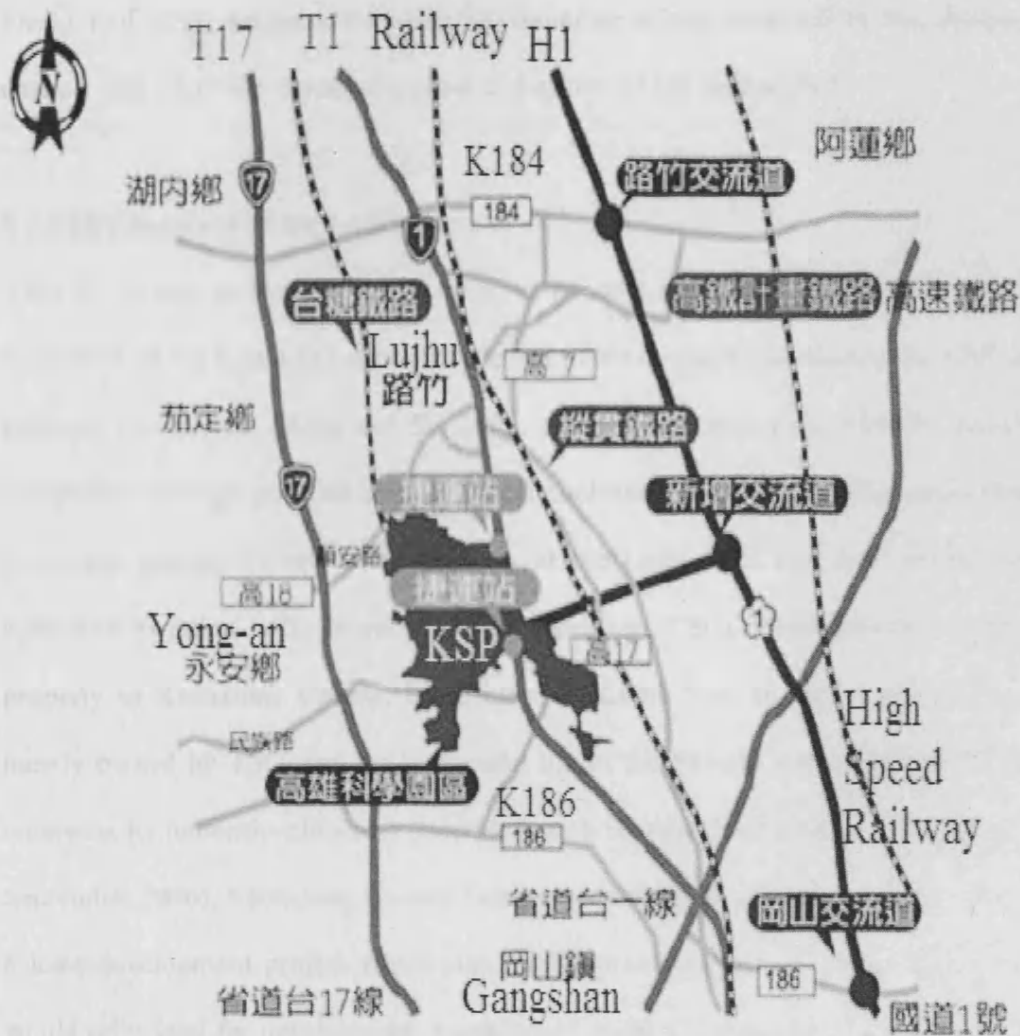


Figure 6.2 The Location and Transport System of Kaohsiung Science Park (not to scale)

Source: STSP website, <http://www.stsipa.gov.tw/web> (accessed date 16th Dec, 2007)

6.3 Policy Making Process of KSP

The KSP's birth was a consequence of the competition between the Shinshi site and Lujhu site to become the location for the STSP project in the mid 1990s. Although the Shinshi site won the bid (see Table 6.1) then, the Lujhu site subsequently became the

location of KSP. An inevitable question therefore arises: what led to this dramatic change, and what was the turning point in the story of the Lujhu site?

6.3.1 Development of the Lujhu site

After its defeat in the site competition to become the site for the STSP project, supporters of the Lujhu site strongly objected to the decision and blamed the NSC for political interference (Yang and Su, 2002, p.62). In addition to continually making complaints through political channel, local coalition groups³⁹ embarked on a more pragmatic strategy to revive the fortunes of the Lujhu site. The first success was agreed cooperation with Taiwan Sugar Corporation (TSC), which owned extensive property in Kaohsiung County, to develop the Lujhu Site. In fact, Lujhu site was mostly owned by TSC, and the successful bid of the Shinshi site led to uncertainty regarding its future development (Interview with Section Chief Chang, KSP Division, September 2006). Kaohsiung County Government and TSC subsequently entered into a joint development project which was expected to benefit both sides. While TSC would offer land for development, Kaohsiung County Government would provide all necessary services (Yang and Su, 2002, p.62).

At that time, the central government policy also included encouraging traditional industrial parks to upgrade to intellectual industrial parks as part of industrial restructuring. The coalition of local interest groups and politicians supported this policy and sent a proposal for an intellectual industrial park to the Executive Yuan (Interview with Section Chief Chang, KSP Division).

³⁹ The coalition comprised local interest groups and politicians from various political parties, i.e. the Vice Speaker of the Legislative Yuan, Jin-Pyng Wang (KMT) and Magistrate of Kaohsiung County, Cheng-Shien Yu (DPP).

Table 6.1 Chronological Development of Kaohsiung Science Park

Source: STSP website, <http://www.stsipa.gov.tw/web> (accessed 25th Dec, 2007)

Oct 1990
<ul style="list-style-type: none">• NSC suggested the Executive Yuan set up a second science park after the Hsinchu Science Park.
1st Jan 1991
<ul style="list-style-type: none">• National Six-Year Plan supported the establishment of a new science park in order to reduce regional disparity.
25th Feb 1993
<ul style="list-style-type: none">• NSC published the report-‘Study of Potential Bases for the Second Science Park’ which pointed to Shinshi (in Tainan) as the preferred location, while the two townships of Yanchao and Cishan in Kaohsiung County, were identified as sixth and seventh preference respectively.
1st Jul 1993
<ul style="list-style-type: none">• The 2338th Executive Yuan Council announced the ‘Promotion of Economic Development’ project, indicating its determination to set up Southern Taiwan Science Park.
Jan 1994
<ul style="list-style-type: none">• A panel to plan the Southern Taiwan Science Park project assembled by the NSC.
1st Dec 1994
<ul style="list-style-type: none">• The NSC set out the assessment criteria for site selection of the STSP.
14th Jan 1995
<ul style="list-style-type: none">• The Panel for Site Selection of the NSC suggested Shinshi, Tainan, as the site for the STSP.
9th Sep 1997
<ul style="list-style-type: none">• The NSC Minister, Chao-Shiuan Liu, announced the Lujhu site would be the priority option if there was need for a second site as part of the STSP.
8th Apr 2000
<ul style="list-style-type: none">• The NSC agreed the Lujhu site as a second site as part of the STSP project.
24th Apr 2000
<ul style="list-style-type: none">• Kaohsiung County Government applied for preparation of the KSP District Plan.
19th May 2000

• The Executive Yuan conditionally accepted the proposal of the Lujhu site as the expansion of STSP.

6th Apr 2001

• The Executive Yuan officially approved the development of Lujhu site as the second base of STSP.

24th Jul 2004

• Lujhu Science Park was renamed as Kaohsiung Science Park.

18th Feb 2005

• Regional Planning Committee, CPA approved the KSP District Plan.

Thus, the local coalition formed to support the Lujhu site's bid to become part of the location for the STSP project did not collapse after failure of the bid in 1995. Rather, it looked for any opportunity make good use of the site, even to establish an intellectual industrial park on the site (Yang and Su, 2002). Eventually, it received a positive answer from the central government since on 6th Oct 2000, the Environmental Impact Assessment (EIA) for Lujhu Intelligent Industrial Park was approved by the Environmental Protection Administration (EPA) and the development of the Lujhu site for this purpose was confirmed.

6.3.2 How the Lujhu Site became Kaohsiung Science Park

If the Lujhu site had been designated an intellectual industrial park, how did it become Kaohsiung Science Park today? The enthusiasm of the solid local coalition is perhaps one reason, however it is thought by some, i.e. Yang and Su (2002), that certain events actually contributed to this ultimate outcome.

The first event contributory event was a problem associated with the development of the Shinshi site per se. Section 5.6.1 explained how two problems were encountered in the development process: one was the finding of a prehistoric archaeological site

and the other was flooding during site construction. Both incidents raised questions about Shinshi site's suitability as the location of the STSP project and led to worries about future development. When these events occurred, the proposal for Lujhu Intellectual Industrial Park was in the planning process and undergoing review by the Ministry of Economic Affairs (MOEA). At the same time, the central government released its intention to look for a second site as part of the STSP. Although the application for Lujhu Intellectual Industrial Park was being reviewed by the MOEA, the local coalition in Kaohsiung County transferred their attention to the government release and entered the bidding process, putting forward the Lujhu site as the second site as part of the STSP.

Supporters from different backgrounds, i.e. politicians, landowners, joined together and called for the establishment of Lujhu Science Park. Such supporters included at that time Magistrate Yu of Kaohsiung County (DPP), Vice-Speaker Wang of the Legislative Yuan, and Legislators from constituencies in Kaohsiung County. They grouped together to visit the Executive Yuan to present the advantages of their bid (Yang and Su, 2002).

On the other hand, there was also a need for a second base for STSP. Section Chief Chang of KSP Division when interviewed in September 2006 narrated the story in brief:

'Despite the loss of the bid in 1995, Kaohsiung County Government never gave up on its intention to develop the Lujhu site. It kept in touch with Taiwan Sugar Corporation and the Industrial Development Bureau, MOEA, to establish an intellectual industrial park on this site.'

Around 1999, space on the Shinshi site had become increasingly scarce and therefore attempts were being made to look for a new site for expansion purposes as part of the STSP. This was the first reason for Kaohsiung Science Park's establishment. Another reason was risk reduction, i.e. no known flooding problem, which made Kaohsiung Science Park an alternative viable option.'

Although Section Chief Chang mentioned the effort of the local coalition to promote Kaohsiung Science Park, she did not refer to any lobbying that may have gone on behind the scenes. Some argued (Yang and Su, 2002) that the coalition's effort was rewarded with the establishment of Lujhu Science Park in 2000, and that the change in ruling party in the same year also contributed to its establishment. Kaohsiung County Government and DPP Legislators combined their resources to effectively present their case to the central government, and the new DPP government responded positively to their request as a pay back for their support in the 2000 Presidential election⁴⁰.

However, the findings in this study question the connection between the establishment of Lujhu Science Park and the shift in ruling party, since the Executive Yuan had approved the establishment of Lujhu Science Park on 19th May 2000, when the KMT was still the ruling party⁴¹ (see Table 6.1). In other words, it was the KMT government which made the planning decision to set up KSP, and the DPP

⁴⁰ Kaohsiung County is as a significant power base for the DPP since the DPP has won most of the elections in Kaohsiung County over the last decade, including an overwhelming victory in the 2000 and 2004 Presidential elections.

⁴¹ President Chen (DPP) took up office on 20th May 2000, the day after the decision had been made.

government furthered the development process.

6.4 Economic Planning Framework for KSP

In the organisational structure, Kaohsiung Science Park, as a second site as part of the STSP, has to take orders from the STSP Administration (see Figure 6.3). Since the STSP Administration is located in the Shinshi site, a distance of around 16 miles from KSP, there is a KSP Division under the STSP Administration on the Lujhu site.

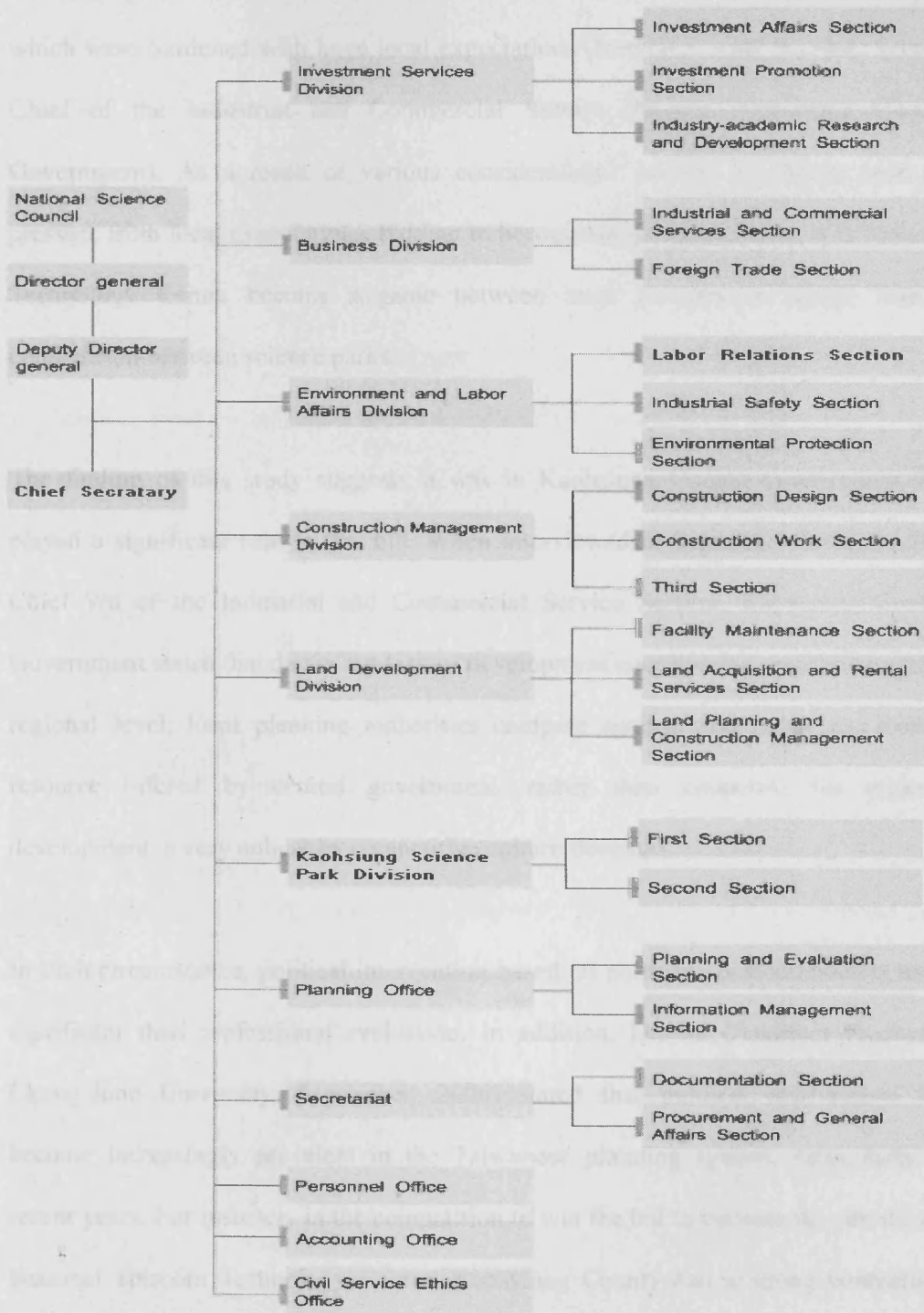
Section 5.4 discussed internal relationships within the NSC, the economic planning authority responsible for the STSP project, and this chapter will not repeat the description again since both Tainan Science Park (TSP) and KSP are under the STSP Administration's management.

6.4.1 Competition between local governments: the National Telecom Technology Centre

In 2002, a CEPD's report revealed that there would be a project to set up a National Telecom Technology Centre. This centre would be a quango and established in a science park in order to raise awareness of telecom technology as another national strategic industry. Like any big government investment, the Telecom Technology Centre was seen as an enormous project that local governments could not neglect. For Kaohsiung County, the project was viewed as a positive catalyst for the forthcoming development of KSP and upgrade of the local economy. The benefit of the establishment of the National Telecom Technology Centre was inevitably an attraction to the local government.

Figure 6.3 Organisational Chart of the STSP Administration and KSP Division

Source: STSP website, <http://www.stsipa.gov.tw/web> (accessed 26th Mar, 2008)



Interestingly, the STSP Administration was not particularly concerned wherever the Telecom Technology Centre was set up in TSP or KSP, since both science parks are under its supervision. However, it was not the case for the two County Governments which were burdened with huge local expectations (Interview with Ms. Wu, Section Chief of the Industrial and Commercial Service Section, Kaohsiung County Government). As a result of various considerations, i.e. the investment and the pressure from local expectations, bidding to become the site for the National Telecom Technology Centre became a game between local governments rather than a competition between science parks.

The finding of this study suggests it was in Kaohsiung County Government that played a significant role in this bid. When interviewed in September 2006, Section Chief Wu of the Industrial and Commercial Service Section, Kaohsiung County Government stated that due to the lack of development coordination mechanism at the regional level, local planning authorities compete against each other for limited resource offered by central government, rather than cooperate for regional development, a very unhealthy competitive culture develops.

In such circumstance, political intervention based on political considerations is more significant than professional evaluation. In addition, Dr. Su (Assistant Professor, Chung-Jone University, September, 2006) stated that political intervention has become increasingly prevalent in the Taiwanese planning system, particularly in recent years. For instance, in the competition to win the bid to become the site for the National Telecom Technology Centre, Kaohsiung County had a strong competitor, Taoyuan County, which had many advantages in terms of location and a strong

industrial base. Moreover, Taoyuan County was the Vice-President's home county and it was said that an unofficial source had indicated Taoyuan County was likely to win the bid and gain the project due to these factors (Interviews with Dr. Su, Chung-Jone University and Section Chief Wu, Kaohsiung County Government).

However, somewhat surprisingly, Kaohsiung County gained the project. What, therefore, led to Kaohsiung County winning the bid of the decision was deeply affected by political considerations? *'Frankly, we used our political resources as well'* said Section Chief Wu when interviewed. The key to Kaohsiung's victory was its supporters' adoption of the same tool used by those supporting Taoyuan County's bid, i.e. political pressure. Section Chief Wu said straight to the researcher:

'If others used their political resources, why not us. Taoyuan County had a Vice-President but we had the Speaker Wang of the Legislative Yuan. It was in fact a competition of political resources. On the day of the announcement, high ranking officials, including Premier Yu, congregated to wait for the result, though there were voices complaining about political intervention.'

After intense competitive bidding, the National Telecom Technology Centre was finally set up in KSP in 2003, though it has not brought as many benefits as were anticipated at the time of the bid. It is a typical economic project whose pending arrival is heralded with much loud thunder but which ultimately produces very little rain, in other words, in other words, much was promised but very little has been achieved.

Whatever the effectiveness to-date of the National Telecom Technology Centre, it

illustrates the reasons why local government has been eager to become involved in economic development projects even though such involvement is not part of its duty. Moreover, in the case of large investments, local coalition groups will expand every effort to ensure such projects are sited within their locality and political influence is a popular resource employed in the economic planning process.

6.4.2 The lack of spatial development strategy and the rise of local government

Chapter Three explained how economic planning had been dominated by the CEPD during the rule of the KMT, and it had decisive authority to put forward planning suggestions to the Executive Yuan. However, when the DPP came to power in 2000, this situation began to change.

The DPP had come to power through grass root support and its members therefore knew the importance of maintaining such support to gain re-election (Interview with Senior Specialist Liao, of the CEPD). On the other hand, local groups understood their votes could be a powerful instrument to gain benefits from government policies, hence, were happy to exploit this for their own ends.

In such circumstance, the proposed establishment of a new science park as a huge development project leads to intense competition between local governments. However, as Dr. Chen, Member of Regional Planning Committee (RPC), pointed out when interviewed in September 2006, local governments usually submit their bid to central government without taking into account of national spatial development. Given the enormous advantage of such development, undoubtedly, every county argues that it offers the best site option and insists it meets the necessary infrastructures requirements. However, the economic planning authorities, i.e. the

NSC and CEPD, at the central level which argue that strategic concerns should be considered more than local interests when deciding where to locate a new science park. Rather than criticise local governments for promoting local interests, Dr. Chen attributed the problem of uncoordinated planning to the lack of spatial planning:

'I can understand local governments' eagerness to pursue huge development projects in view of the pressure exerted by local expectation. However, the problem is exacerbated by central government lacking an overall planning strategy for such development, i.e. science parks. If there was a clear blue print for spatial planning, local governments could develop their own advantages instead of chasing similar investment i.e. science parks. When diverse strategies are adopted for local economic development, the tension between Counties as a result of seeking limited economic projects could be reduced.'

In Dr. Chen's opinion, a science park differs from an industrial park since its establishment is related to high-technology development which is the main strategic industry in Taiwan. Therefore, there are more requirements in terms of academic support and industrial networks, which central government should take into account during the policy making process. Thus, the decision to locate a science park may not be based solely on meeting local's expectations, especially when several sites are competing in the bid process. To win a bid, coalitions of local interest groups and politicians are very common. Political intervention in the policy making process is also increasingly frequent due to the lack of integrated planning policy, e.g. spatial development strategy, and this lack is the real cause of unplanned development (Interview with Dr. Chen, RPC Member). Despite there being a National Comprehensive Development Plan (NCDP), it only states developmental strategies in

general and does not mention individual economic projects (CEPD, 1996). Further, the four Regional Plans should indicate the location of significant economic projects as guidance for regional development, however, according to Professor Lin from the National Taiwan University interviewed in September 2006, the fact is, Regional Plans do not direct such projects, whereas conversely, such projects indicate amendments of Regional Plans.

In the planning process for KSP, Kaohsiung County Government played far more significant role in economic development planning compared to Tainan County Government in the case of TSP. In the case of TSP, it is the STSP Administration which deals with coordination with other central agencies but in the case of KSP, Kaohsiung County Government has taken over the role of coordination from the KSP Division. The bidding process to become the location for the National Telecom Technology Centre described in the previous section demonstrated the significance of Kaohsiung County Government in this. When there was a need for negotiation with the relevant central agencies, the Urban Planning Section of Kaohsiung County would request the assistance of the CEPD because of its coordination role at the central level. Due to its limited number of personnel, the CEPD responded grudgingly to such requests for assistance. When interviewed, Senior Specialist Liao of the CEPD complained about the 'extra work' involved in complying with requests for such assistance:

'Science Park Administrations have a lot of skilled professional planners whereas there are far fewer personnel in the CEPD. Nevertheless, the CEPD is responsible for coordinating overall planning policy for science parks. In my view, it is difficult to meet both our responsibilities and local government

requests for assistance.'

However, why was Kaohsiung County Government so heavily involved in economic planning which was thought to be the responsibility of the Kaohsiung Division of the STSP Administration? Although there is an increasing trend in Taiwan for local government to become involved in economic development policy, Kaohsiung County Government's participation in the economic planning process for KSP is unusual (Yang and Su, 2002).

There are several possible reasons for this phenomenon. First, the movement towards democratisation in Taiwan has led to an increase in the power of local government. Such power has also been attributed to the frequency of local elections in which political parties need support from local interest groups (Interview with Senior Specialist Liao of the CEPD). Second, as a second site of the STSP project, the KSP Division is still a small unit with very limited resources (see Figure 6.3) and this limits its capacity for economic planning (Interview with Section Chief Chang of the KSP Division). Finally, the local coalition which supported the Lujhu site's bid in the middle 1990s successfully achieved its goals and this resulted in many developmental gains in Kaohsiung County (Yang and Su, 2002, p.53, 63).

6.5 Land Use Planning for KSP

6.5.1 The planning process for the KSP District Plan

Once KSP had been set up, there were inevitably going to be many developments promoted in and around the surrounding areas, and there might have been a messy

layout without a development plan. A District Plan was viewed as a solution to fragmented development, and it was the task of the Urban Planning Section of the County Government to manage the planning process for the KSP District Plan in terms of plan making, application, and approval seeking.

As in the development of TSP, the planning process for the KSP District Plan was a very tough challenge for the local planning authority. The complexity of planning content, the huge land use switch and the enormous developmental gains made the planning process problematic. Section 5.5.1 has illustrated the difficulties encountered in making the TSP District Plan and the contestations between local interest groups. However, the main problem associated with making the KSP District Plan differed from that the TSP District Plan. In the case of the KSP District Plan, although local interests competed with each other, the solid local coalition helped to reduce conflicts at the local level. The challenge facing KSP District Plan making came from the Regional Planning Committee (RPC) of the Construction and Planning Agency (CPA), central planning authority.

The KSP District Plan planning process commenced in 2001 when the Urban Planning Section of Kaohsiung County Government authorized a private planning consultancy to undertake an assessment for the making of the District Plan. In the beginning, Kaohsiung County Government commissioned the Thi Planning Consultancy to take over responsibility for planning assessment report. As a private planning consultancy, Thi Planning Consultancy was responsible to the County Government for technical work, i.e. site investigation, surveying, data collection, and construction appraisal. However, work related to strategic planning still remained the responsibility of the local planning authority.

According to Section Chief Hsu, the Urban Planning Section of Kaohsiung County Government, there were some smaller planning companies working with the Thi Planning Consultancy. For instance, Li-Cheng Planning Consultancy outlined the development plan for Kaohsiung Science Park and helped in presenting it to RPC meetings. Although private companies had a role in drawing up reports related to construction and building, they were not involved in land use planning in relation to strategic aspects, e.g. transport planning and environmental planning.

Since private planning consultancies appear to have been given responsibility for drawing up reports and site investigation, what was the role of Urban Planning Section in drawing up the District Plan? Section Chief Hsu explained:

'We supervised the planning companies throughout the plan making process and we reviewed the reports they produced. Only reports that followed the local planning authority's directions were accepted and then submitted by us to the Regional Planning Committee of the CPA. We also asked planning consultancies to amend plans if we had other considerations or concerns as a result of suggestions made by the Regional Planning Committee. The Urban Planning Section and the planning consultancies worked very well together.'

The comments made by Section Chief Hsu suggest a partnership between the local planning authority and private consultancies and, at the same time, reveal an interesting phenomenon: private planning consultancies played a role as planning agencies dealing with paperwork in order to assist the local planning authority. In fact, it is a model which has recently appeared in Taiwanese local planning due to the

limited capacity of local planning authorities (Interview with Senior Specialist Liao of the CEPD). In the KSP District Plan making process, due to its limited number of personnel, the Urban Planning Section was unable to manage all planning activities, therefore it had to put out to tender work related to site investigation, data collection and report making. The relationship between private planning consultancies and the planning authority was created since the beginning of District Plan making and, according to Section Chief Hsu, it seems to have worked very well.

Further, unlike the case of TSP District Plan, where local interest groups sought the expansion of developmental areas, Kaohsiung County Government did not encounter much pressure from local stakeholders in this respect. Section Chief Hsu confirmed that the local community had fully supported the local planning authority in its goal to develop KSP because such development would be advantages to them. Thus, local interest groups stood solidly behind the local planning authority. She was uncertain as to whether this support would last after the detailed planning process commenced as there would inevitably be winners and losers. In general, the lack of local lobbying pressure made the preliminary KSP District Plan making process relatively easy.

6.5.2 Questioning of KSP District Plan by Regional Planning Committee (RPC)

Members

Eventually, the Kaohsiung Science Park District Plan was drawn up to cover an area of 2200 hectares and to contain Kang-Shan Ben-Chou Industrial Park and Yongan Industrial Park.

As a Member of the Regional Planning Committee (RPC), when interviewed, Dr. Chen recalled there were no major problems with KSP's location except a need for

improvement to drainage works. All support infrastructures and plans for KSP were satisfactory. Dr. Chen explained that that was the result of the bid in 1995 when the Lujhu site sought to become the location of STSP. The KSP District Plan therefore met most of the requirements demanded by the RPC. There were only a few technical details that needed to be included, e.g. drainage work. He described the planning process for KSP as follows:

'Our works was very simple. We reviewed the plan, assessed its contribution, and confirm its area. After approval by the RPC, it went to the Urban Planning Committee (UPC) for a detailed land use planning review' (Interview with Dr. Chen, RPC Member).

The above comments suggest the making of the KSP District Plan making was a relatively smooth process whereas, in fact, some friction occurred during discussions among RPC members.

The initial population anticipated in the KSP District Plan was 70,000, criticised by RPC members as being an over-optimistic prediction (CPA, 2006). Thus, the RPC expressed some reservation, similar to the attitude found in the STSP District Plan making process (Section 5.5.3). Section Chief Hsu of Kaohsiung County Government did not criticise the reservation of the RPC when interviewed, and she said:

'To be honest, this is a common problem in plan making in Taiwan. If you make a calculation of estimated population in urban plans, you will always find the

number is above the current population in Taiwan.⁴² So I can understand the Committee's criticism. However, as a local planning authority, we always take an optimistic view since we take responsibility for local development.'

Section Chief Hsu's comments raise a question with regard to local government's optimistic planning prediction: were there local pressures, e.g. local stake holders, forcing the County Government to express an 'optimistic' expectation for District planning? Section Chief Hsu did not answer this question directly but she implied there would inevitably be pressure from local interest groups in the forthcoming detailed plan making. She also indicated that to-date the local coalition's concern were all about speeding up the confirmation procedure at the RPC since approval of the KSP District Plan would contribute to local economic development. In other words, local interest groups, and stakeholders had yet to react to the detailed planning process. As Section Chief Hsu said: *'local interest groups have not at the moment begun to lobby, but it is possible they will in the future.'*

6.5.3 The relationship between the CPA and local planning authorities

Besides Regional Planning Committee (RPC), there is another important actor in the CPA, the Comprehensive Planning Division. During the District Plan making, it offered technical assistance, such as planning guidance, providing information relating to RPC concerns, and acting as a bridge between the RPC and Kaohsiung County Government. This assistance helped the local planning authority to meet RPC's requirements. Section Chief Hsu of Kaohsiung County Government indicated

⁴² The population of Taiwan as a whole is 22.88 millions (see Section 3.4). Total planned population in Taiwanese urban plans is 25 million, while the current population in urban plan zones is 18 million only (CPA, 2006). There is a gap of 30% between predication and reality.

that while the Comprehensive Planning Division was willing to offer suggestions to the local planning authority, it did not necessarily support planning project submitted by the local planning authority to the RPC. Since the CPA is higher than the local planning authorities in the institutional design, it applies a very strict standard when reviewing plans submitted by local planning authorities according to field work findings (Interview with Director Wang of the Comprehensive Planning Division, CPA). The strict attitude of CPA is not welcomed by officers in local planning authority. According to them, the CPA is at the upper level to assist local planning authorities, however, according to a central planning authority officer, Director Wang, the Comprehensive Planning Division, CPA is mainly responsible for assisting the RPC in plan review and final approval process. Also, while the CPA is willing to assist the local planning authority, it respects the decisions made by the RPC although it also endeavours to maintain good relations with local planning authority.

What therefore is the mechanism for coordination between the local planning authority and CPA? In the case of KSP, after the KSP District Plan had been approved by the RPC, Kaohsiung County planning authority submit it to Urban Planning Committee (UPC)⁴³ of the CPA, which undertook the detailed plan review process and approved it if appropriate. In the case of KSP, Kaohsiung County planning authority would communicate with the Urban Planning Section primarily by means of phone calls, although face to face communication was common. Thus both formal and informal methods of communication were used (Interview with Section Chief Hsu,

⁴³ When the researcher was conducting interviews, the KSP District Plan had just been approved by the RPC, and was about to go through the detailed plan making process. During the preliminary plan making process, the Comprehensive Planning Division had been responsible for providing assistance to the local planning authority.

Kaohsiung County Government).

Section Chief Hsu indicated that regular contact is mainly used between the Urban Planning Division of the Kaohsiung County Government and the CPA. There are regular fortnightly meetings held by the UPC of the CPA to which local authority planning officers are invited to attend when the meeting topic is of relevance and interest. Like the Regional Planning Committee (RPC), the UPC is composed of representatives from various groups, e.g. governmental organisations, institutes and interest groups. New urban plans or amendments cannot be implemented until they have been confirmed by the UPC and relevant planning authorities are invited to attend to present their points of view. Therefore the UPC meeting are viewed as formal occasion for policy coordination in relation to urban land use.

6.6 Horizontal Policy Coordination in the Case of KSP

6.6.1 Coordination within the CPA: the relationship between the RPC and Comprehensive Planning Division

As the previous section indicated, the Comprehensive Planning Division of the CPA is responsible for assisting the local planning authority during the plan review process undertaken by the RPC. What, therefore, is the relationship between the Comprehensive Planning Division of the CPA and the RPC of the CPA? As Dr. Chen, RPC Member, explained, the RPC is seen as a decision-making body in charge of planning review and decision making while the Comprehensive Planning Division of the CPA is the RPC's assistant unit providing planning analysis and administrative support. The Comprehensive Planning Division needs to prepare all relevant papers

and reports before a RPC meeting is convened. The Comprehensive Planning Division also makes a preliminary review for application to see if all administrative work has been completed, e.g. regulative requirements and bureaucratic procedure. Hence the Comprehensive Planning Department is the first reviewer of planning application and filter out applications which do not meet central planning authority requirements. After applications have been reviewed by the Comprehensive Planning Division, the RPC is responsible for the approval decision (Interview with Director Wang, the Comprehensive Planning Division of the CPA).

However, it is the RPC's obligation to present its opinions if it has rejected an application. Most decisions made by the RPC are based on common consensus and achievement of common consensus is viewed as a positive model. RPC member Dr. Chen contended that RPC decisions are usually based on professional concerns rather than central government planning policy. In fact, the central government has questioned some decisions made by the RPC which it has viewed as controversial (e.g. the CTSP case in Section 6.7.3).

The relationship between the Comprehensive Planning Division of the CPA and the RPC is very close according to Director Wang of CPA. The Comprehensive Planning Division provides background details and makes suggestion to the RPC. Dr. Chen, RPC Member, agreed that the relationship between the two bodies is good:

'... mostly, members of the RPC will accept the advice of the Comprehensive Planning Division if it is thought to be an objective analysis. Otherwise, they will need to convince other members if the advice is considered controversial. The coordination mechanism between the two bodies works very well.'

The RPC is also the platform where other central agencies can present their ideas about planning. For each single planning application, there is a RPC meeting at which all relevant departments are invited to express their opinions. Thus, the RPC meeting is a vehicle for sectoral coordination. According to Dr. Chen, the RPC can be viewed as a formal mechanism for policy coordination at the central level:

'There are individual representatives like me and representatives of agencies at RPC meeting. When a conflict occurs between representatives, a consensus of opinion is usually reached after discussion. The RPC meeting per se is a place where coordination is facilitated not only agencies but also between central and local government. If an issue is particularly tough, a panel consisting of voluntary members addresses it first, and then it is passed to the RPC meeting for further discussion and deliberation.'

According to Dr. Chen, whenever a planning issue was particularly difficult to resolve or controversial, a panel would be convened to discuss it. The panel would consist of RPC members who were interested in the issue and who had volunteered to discuss it. This is the plan review operation within the RPC.

6.6.2 Questioning of the water supply report for the KSP District Plan

Section 6.5.2 pointed to a gap between central and local planning authorities' population estimation in the KSP District Plan. Such difference in estimation was small in comparison to the challenge to the KSP District Plan which came from unprecedented requirement for a water supply report demanded by RPC members. The Urban Planning Section of Kaohsiung County Government had submitted the

KSP District Plan to the RPC for confirmation in 2003, the Plan was not approved until 27th January 2005 due to the subsequent water supply report requirement.

Normally, such a report would not have been necessary until after approval of the District Plan, however, KSP was the first case where a water supply report before approval of such plan. Given the circumstances, it was unreasonable to expect Kaohsiung County Government to predict the extent of the needed water supply prior to detailed plan making because it was difficult to estimate what facilities might be placed in the district. The CPA asked the local planning authority to satisfy the requirement for the water supply report which had been requested by the Water Resources Agency (WRA) of the Ministry of Economic Affairs (MOEA) as the result of a decision made at a RPC meeting in 2004 (Interview with Section Chief Hsu, the Urban Planning Section Chief of Kaohsiung County Government).

This was the first time in Taiwanese planning that a district plan for a science park had been requested to provide a water supply report in the preliminary plan making process. Section Chief Hsu believed this decision was made due to the diverse background of RPC members and their lack of knowledge of the plan making procedure. She said:

'I think the cause was the various backgrounds of Members of the Regional Planning Committee. The Committee is comprised of members from different fields, including environmentalists and academics, who are not always conversant with the plan making process.'

A member of the RPC, Dr. Chen confirmed that the existence of varied interests can

lead to difficulty in reaching a common consensus on important decisions. Moreover, due to lack of cohesion and awareness of plan making procedures, RPC decisions can sometimes be impractical (Interview with Dr. Chen, RPC Member).

Thus, Section Chief Hsu argued there was a lack of coordination between the WRA and RPC. Further, she revealed that whenever the local planning authority contacted the CPA for details as to how the water supply report should be presented and what it should contain, it always received conflicting information. Even information obtained from the WRA conflicted with information received from the CPA. Moreover, officers within the WRA itself provided conflicting information. Thus, drawing up the water supply report had been an extremely difficult task.

As a result, Kaohsiung County Government sought CPA assistance to resolve the matter. However, the CPA refused to help and argued that the problem should be resolved by the WRA. In January 2005, the WRA stated that the water supply report could be provided in stages, therefore the KSP District Plan was approved by the RPC in January and confirmed by the CPA on 18th February 2005 (Kaohsiung County Government, 2005). The whole affair gives rise to question, if there was no precedent for a water supply report in the preliminary plan making stage, why did RPC members request one? Section Chief Hsu provided the following answer:

'... a representative from the WRA expressed concern about water distribution throughout Kaohsiung County. Some RPC members interpreted his remarks as meaning that a water supply report was required and therefore the Committee decided that the KSP District Plan should be accompanied with such report.'

At the same time, there seemed to be problems with coordination within the WRA itself. For example, the representatives of the WRA were differed at the two meetings and even provided divergent information. The field work findings suggest this problem may have led to misunderstandings between organisations, i.e. the RPC, WRA, and Kaohsiung County Government. According to Section Chief Hsu of Kaohsiung County Government, a specific officer in the WRA, a Mr. Lin, was responsible for communication with Kaohsiung County Government, however, he was not the representative who attended the meeting with the RPC. The WRA appointed different persons to attend meetings, in contrast, the representative of the CPA was always a Ms. Chang, who had a good communication with Kaohsiung County planning authority. The scenario described indicates that policy coordination in the case of KSP highly relied on communication between representatives of organisations and coordination became difficult when representatives were changed.

6.6.3 Coordination at the local level: KSP Division and Kaohsiung County Government

Another interesting relationship is that between Kaohsiung Science Park (KSP) Division and Kaohsiung County Government. Unsurprisingly, each agency had different concerns. The KSP Division focused its attention on the development of the science park and the local planning authority focused on the District Plan making process. In an interview with Ms. Chang, Section Chief of the KSP Division, she stated that the KSP Division had offered 16 million Taiwanese Dollars (267,000 sterling pounds)⁴⁴ to the local planning authority to assist it with detailed District Plan making. The KSP Division's main focus was the capacity of the site plan for future

⁴⁴ The exchange rate of the British Pounds to the Taiwan Dollars was 1:60.52 according to the Yahoo Currency Converter on 28th Apr 2008.

expansion. She also contended, although the KSP Division usually attended coordination meetings for the KSP District Plan, its members offered few comments on the District Plan at such meetings, and left most suggestions and decisions to the local planning authority. Therefore, Section Chief Chang stated, *'we have maintained a perfect relationship with Kaohsiung County Government'*.

Local government staff appeared, however, to hold different views on the so-called *'perfect'* relationship. According to Section Chief Wu of the Industrial and Commercial Service Section, Kaohsiung County Government, the KSP Division always actively participated in meetings convened by the central planning authority, i.e. RPC, and such meetings were not held on a regular basis. She also indicated that the KSP Division did not often attend coordination meeting charged by the County Government. For example, Section Chief Wu mentioned regular Industrial Park Development Meetings convened by the County government, to which all relevant officers in the County Government, including the Magistrate, were invited. Such meetings presented an opportunity for participants to meet planners and developers in order to solve problems and they were a formal method used by the County Government to coordinate industrial development and land use planning within the County. Section Chief Wu questioned why the KSP Division did not attend such meetings convened by the local government:

'It is a pity that the KSP Division has never attended these meetings.

"Industrial Park Development Meetings" have been taken place on a quarterly basis, since the previous Magistrate's administration, and is a formal coordinative platform to promote industrial park development.'

At the request of the researcher, Section Chief Wu provided several reasons for the KSP Division's absence from these meetings:

'First, the Industrial Park Development Meeting is chaired by a Magistrate who has not asked us to invite the KSP Division. Second, though I told the KSP Division about this meeting, it did not show an interest in it...Third, the KSP Division thinks it is unnecessary to attend the meeting because not many firms have set up in KSP and the problems facing KSP differ from those facing traditional industrial parks.'

According to Section Chief Wu's comments, on one hand, the Magistrate of the County, as a chairman of the meeting, has not invited the Division to attend the meeting and therefore no representative from the Division has attended it, despite being informed by Section Chief Wu through informal channels that the meeting is held. On the other hand, the Division seems not to view the meeting as useful for KSP and has accordingly absented itself from it. The question nevertheless remains whether the Magistrate intentionally did not invite the KSP Division to the meeting or simply neglected to inform it of its existence. Whatever the reason for the Division's absence, for some officers in County Government, the KSP Division's absenteeism appears to reflect its indifference to coordination with the local planning authority and this has cast a shadow on the relationship between the KSP Division and the County Government as indicated by Section Chief Wu:

'Although I do not know the precise reason for the Division's absence from the meeting, I am sorry that such absence has occurred. No matter whether KSP differs from a traditional industrial park, the Industrial Park Development Meeting offers a formal platform for discussion and also presents an

opportunity to build connections to local groups and corporations. '

In short, the Magistrate's failure to invite, the KSP Division's lack of interest, and the developmental circumstance of KSP all contributed to the KSP Division's absence in this regular formal coordination meeting. The reason for the KSP Division's absence was not entirely clear since Section Chief Chang of the KSP Division did not mention any difficulty in coordination with Kaohsiung County Government.

The KSP Division's absence from Industrial Park Development Meeting made formal coordination between it and the local planning authority difficult. Section Chief Wu suggested that their infrequent interactions might also have been leaders' lack of motivation. For instance, the Director General of the STSP Administration refused the KSP Division's request to arrange a coordination meeting with Kaohsiung County Government when both the sides thought there was a need. Section Chief Wu stated:

'The Director General of the STSP Administration argued that such coordination meetings were not useful since they were merely an administrative routine. However, the local planning authority viewed such meetings as offering a platform for policy coordination in relation to KSP development.

In the interview conducted with Section Chief Chang of the KSP Division, she argued that the Division pays more attention to practical concerns, i.e. the development and construction of KSP, that meeting attendance, nevertheless, this does not affect its relationship with the local planning authority. For local authority officers, holding a meeting is very important for coordination since all relevant persons can gather together to discuss the issue of KSP District Plan. Nevertheless, the KSP Division

would appear to think there are more efficient ways to facilitate coordination, for example, making contact through phone calls.

Accordingly, the question arises: if a regular meeting is not attended by the KSP Division, how often did they attend meetings convened on an infrequent basis? Section Chief Wu's comments in the interview would suggest the KSP Division was more inclined towards attending meetings convened by itself and held on an irregular basis. Kaohsiung County Government was always happy to attend such meetings arranged by the KSP Division. However, such meetings had not been held for nearly a year.

6.6.4 The different views of the relationship between the KSP Division and local planning authority

Although Section Hsu of the Urban Planning Section of Kaohsiung County Government argued that good communication existed between it and the KSP Division, it was the Industrial and Commercial Service Section of the County Government that communicates most with the Division, according to interview with Section Chief Chang of the KSP Division.

The Industrial and Commercial Service Section is a significant department whose main responsibility is economic development affairs. Not only communication with the KSP Division, but also many other duties are among the responsibilities of this Section. For instance, one of its primary areas of responsibility is industrial and commercial management which includes the supervision of public service industries owned by government and the development of industrial zones. Management of traditional market is another of its assignments.

The Industrial and Commercial Service Section as described above is a very busy section with limited human resources. For this section, the KSP project, which is managed by the STSP Administration, presents an additional workload due to repeated requests for assistance from the KSP Division. However, since nobody can deny the significance of the KSP project to local economic development, the Industrial and Commercial Service Section is obligated to render its assistance to the KSP Division. As a result of such context, conflict has occurred between the Section and the KSP Division. Section Chief Wu of the Industrial and Commercial Service Section of Kaohsiung County commented on this situation as follows:

'Basically, all developments and promotions of KSP are expected to follow central government policies rather than local government wishes. As a local authority, we are unlikely to interfere with its development. However, since KSP is such a big project, it is impossible for the County Government to neglect its existence. If KSP's performance is not as good as expected, we will be inevitably blamed for lack of action.'

As a result of the huge local hope being carried on it, the local authority has been forced to support to the development of KSP. The most useful forms of assistance the KSP Division needed from the local planning authority were public infrastructures, i.e. a transport network design, and the drainage works (Interview with Section Chief Chang of the KSP Division). Section Chief Wu from the Industrial and Commercial Service Section, Kaohsiung County Government confirmed that the local planning authority had assisted the KSP Division to obtain additional developmental land to link it to the No.1 national highway.

However, Section Chief Wu indicated that the assistance required by the KSP Division usually involved cross-sectoral coordination. When the researcher asked if there was a coordination mechanism within the County Government to facilitate such coordination, she replied that the KSP Division had been told to directly contact each department it needed assistance from on an individual basis. Her words imply that the Industrial and Commercial Service Section seemed not to offer a one-stop window service⁴⁵ to the KSP Division and there seemed not to be a unit within County Government dealing with coordinative work related to the KSP. It is worth noting that Section Chief Chang from the KSP Division indicated that the Industrial and Commercial Service Section of Kaohsiung County Government was the unit they most frequently contacted for policy coordination.

According to Section Chief Wu, the KSP Division was very demanding in its requests for assistance. However, due to the limited number of officers in the Industrial and Commercial Service Section, it was unable to deal with all the KSP Division's requests for assistance. As a local planning authority, Kaohsiung County Government is mainly responsible for local economic development and has its own work responsibilities. Section Chief Wu stressed that while the local planning authority was happy to assist the KSP Division, its repeated requests for assistance increased the authority's already substantial work load.

An area of conflict between the two agencies is therefore uncovered, and the

⁴⁵ A one-stop window service means an integrated platform whereby the KSP Division presents all their needs to a single unit which then manages consultation and coordination within Kaohsiung County Government.

relationship between the local planning authority and the KSP Division may not have been as perfect as suggested by Section Chief Chang of the KSP Division, since some planners in the local planning authority viewed the Division's requests for assistance as too demanding.

There is something else which irritated local planning authority officers. The KSP Division was accustomed to contacting the Magistrate of Kaohsiung County directly instead of the Section first. The Magistrate ultimately transferred the requests made by the KSP Division to the Section. The Section felt slighted by the Division's action and this had an impact on their relationship. Section Chief Wu of the Industrial and Commercial Service Section suggested that the Division felt the relationship between it and the Section was so good that whether it did could not hurt that relationship. It was unaware that the Section felt belittled by its action.

There would therefore seem to be a gap between what the KSP Division expected of the relationship and how the Section viewed the relationship. The KSP Division appears to have assured the Section was always happy to meet its requests for assistance due to the significance of the KSP project. In fact, nobody denied the importance of the KSP, however, the local planning authority felt there should be a distinct division between its responsibilities and those of the KSP Division because of the Section's existing heavy work load, and the KSP's development not being the Section's responsibility.

To the outsider, the relationship between the KSP Division and the Industrial and Commercial Service Section appeared to be harmonious. However, the findings of this research have revealed existing tensions between them. Since the outward

appearance of a good relationship assisted the development of KSP and also enhanced the standing of the Magistrate of the County. In spite of complaints, local planning officers intended to maintain the apparent harmony between the two agencies (Interview with Section Chief Wu of Kaohsiung County Government). Perhaps due to this intention, the KSP Division's view of the relationship was one perfection whereas the Section held a very different view.

6.7 Key Themes in the Research

Although the TSP and KSP cases are both related to the development of science parks, the findings derived from both cases differ due to their different contexts.

6.7.1 A chasm between the planning concepts of central and local government

As mentioned in Section 6.5, the CPA, as the land use planning authority at the central level, seemed not to wish to intervene in local planning affairs and used to leave these to the local planning authority to deal with, which implies a cohesive relationship between central and local planning authorities was lacking.

Such lack of cohesion was apparent in the water supply report issue (see Section 6.61). In this incident, it seems that the CPA made the KSP District Plan making process more complicated, especially when the WRA, the authority responsible for the supply of water resource, had showed its willingness to assist the local planning authority in drawing up the water supply report. Thus, while other agencies were willing to assist, the CPA expressed its reluctance to do so.

In this matter, Kaohsiung County Government obtained the WRA's agreement to postpone the date for submission of the water supply report in spite of the unprecedented request by the RPC. In this incident, the CPA seems to have been a hindrance rather than a help in the drawing up of the KSP District Plan. The water supply report issue thus highlights the lack of the harmony within the land use planning system.

There was also a difference of opinion in the plan making process for the KSP District Plan. The Lujhu site lost its bid to become the site of the STSP project in 1995 and its main disadvantage was its limited hinterland (see Section 5.3.2). However, even today, for Kaohsiung County Government, the result was not acceptable and planners continually question the central government's decision to select the Shinshi site due to its advantage of being a big, empty developmental area. Regarding the central government's apparent preference for large, empty developmental sites for the location of science parks, most local authorities tend to offer large-scale land owned by state-owned corporations, e.g. Taiwan Sugar Corporation in the case of TSP, in their bid for governmental investment (Interview with Section Chief Wu of Kaohsiung County Government).

However, the industrial structure in Taiwan has changed over the last decade since many factories have moved to China and there are many brown field sites which need to be developed (Interviewed with Professor Chou, National Taipei University, September, 2006). At the same time, since more and more companies are upgrading to R&D from manufacturing, a big development area should no longer be the only criterion for site selection for science parks. Given this context, Kaohsiung County Government has stressed its intention to pay more attention to the regeneration of

current industrial parks in order to help firms upgrade their business because of the benefit to the local economy. As a result of the difference in planning concepts, when interviewed, Section Chief Wu of Kaohsiung County Government stated:

'... if we review the case of the first site selection in 1995, we might conclude the decision was wrong since it switched large farming lands to becoming sites for industrial parks. As a small island, Taiwan is no longer capable of consuming its land resources in this way and regeneration should be placed at the centre of industrial land acquisition.'

For the local planning authority, the regeneration approach would be more beneficial for the local economy due to the low cost of redevelopment. However, due to the extra work necessary for demolition and site cleaning, it was obvious central government did not take the concept of industrial park redevelopment into account for site selection of the STSP project since it had chosen Shinshi site as it offered a big, empty land space and development convenience.

6.7.2 A need for crosscutting and cross-territory coordination

In the interview with Section Chief of the Urban Planning Section of Kaohsiung County Government, she pointed to the difficulties which faced the local planning authority in the plan making process of the KSP District Plan. She suggested most problems arose due to the lack of a crosscutting coordination mechanism. Further, she contended that such a coordinative platform would have been helpful in the incident of the water supply report where both Kaohsiung County Government and the WRA were keen to find a solution to the problem. The Director of the WRA had even visited Kaohsiung County Government to show how determined he was that the issue

should be resolved to the satisfaction of all parties concerned. However, due to the lack of a crosscutting coordination mechanism, the problem was not resolved for over a year.

In fact, in South Taiwan, there is a newly set up coordination platform, the Kao-Kao-Ping (Kaohsiung City, Kaohsiung County and Pingtung County) Summit which has been established for regional cooperation. Unfortunately, in spite of this innovative coordination mechanism, the Kao-Kao-Ping Summit was not able to contribute the water supply report issue. First, the Summit deals mainly with cross-territory issues, such as cross-border planning at the regional level, and does not focus on cross-sector planning affairs. Second, without a regional planning authority, water distribution in Taiwan is the central government's responsibility and local governments have no planning power to resolve water supply issue. Accordingly, in spite of this cross-border coordination platform, in the water supply report incident, the local planning authority needed the assistance of the central government agency.

The foregoing discussion indicates that land use planning in Taiwan is still very centralised and the only coordination mechanism that local planning authority has available to it is the RPC meetings. For the central planning authority, coordination issues are being increasingly highlighted in planning discourses. According to Director Wang of the Comprehensive Planning Division of the CPA, an improved planning permission process model⁴⁶ has been adopted in the plan review process of the RPC. Its members now have more discretionary power when making decisions for planning approval. However, Section Chief Hsu expressed a different thought on this

⁴⁶ Planning permission (開發許可) in Taiwan means a discretionary decision which is not the same as planning permission system adopted in the UK.

view. In her opinion,

'Local planning officers prefer a fixed standard for all planning applications, otherwise there will be no guidance for such officers to follow when making plans'.

In the case of KSP, RPC members used their discretionary power to insist that the water supply report was necessary and the use of such power delayed the plan making process of the KSP District Plan. Moreover, although not all RPC members agreed with the decision, the insistence of the majority led to the decision that the water supply report should accompany the KSP District Plan.

The diverse backgrounds of RPC members can also lead to many more difficulties for the local planning authority. As Section Chief Hsu contended, there were too few RPC members with land use planning background to reach an acceptable planning decision. Further, Dr. Chen, RPC Member, recalled the following in relation to the water supply report, when he wanted to support Kaohsiung County Government and go against other members' insistence on its provision, members with other professional backgrounds insisted on the water supply report was necessary. Therefore, it is argued that the planning permission model has made policy coordination more difficult in the KSP case and this was the reason why the local planning officers, i.e. Section Chief Hsu, contended the lack of a crosscutting coordination mechanism.

6.7.3 Political intervention- the conflicts between central agencies in the case of CTSP

The recent development of the Central Taiwan Science Park (CTSP) provides a good

example of how political interference operates in the Taiwanese planning process. The story, as described by Dr. Chen, RPC Member, interviewed in September 2006, started from the new development of the Chi-Shing site as part of the expansion of the CTSP:

'The development report for the Chi-Shing site made by the NSC was totally unacceptable. I understood that development of this site was considered essential by the local government based on promoting local interests. As RPC members, we were happy that the local economy should benefit from its development. However, the site location presented problems due to its proximity to a known earthquake zone.

Nevertheless, the central government ignored our concerns and put pressure on the RPC to approve the site. We were forced to endorse the central government's decision⁴⁷.

A significant reason for the RPC not endorsing the project was that both the Chi-Shing site and its neighbouring site, Ho-Li, which had already been developed, are located within an earthquake zone. The local government argued that the Chi-Shing site's proximity to the zone should not be a reason for rejecting the project as the Ho-Li site had already been approved by the RPC. However, Dr. Chen indicated that the reason that the RPC agreed to the development of Ho-Li site was planning concern for regional balanced development and local economy was in need of stimulation. In other word, even though case for development of Ho-Li site was weak, it was allowed for the sake of promoting the local economy.

⁴⁷ Some wordings were revised in the request of Dr. Chen due to the sensitive content.

For members of the RPC, given that they had been forced to bend the rules to accommodate the needs of the local's needs of the local population in Ho-Li, Taichung County, it would be unbearable to be forced to approve a similar site, which was considered even more dangerous. Dr. Chen felt deep misgivings at the way safety considerations were being ignored. In his view:

'... the local government and the NSC obtained final approval for the Chi-Shing site completely through political intervention. Local interest groups stood to benefit from enormous developmental gains, therefore, they expended every effort to promote the project despite the site's potentially dangerous location.'

Due to his professional concerns, Dr. Chen requested that all RPC meetings in relation to the Chi-Shing site should be recorded and the recordings made available to the public. During the course of the fieldwork between September and October, 2006, the researcher tried to access the transcriptions through the internet, but was unsuccessful. Time may have been required to edit them.

6.7.4 Personal networks

As well as the formal coordination mechanisms, such as meeting and visits, local planning officers use informal coordination mechanisms, such as telephone calls and a personal relationship network to contact their counterparts in the Comprehensive Planning Division of the CPA when in need of CPA's assistance. Although this kind of communication is informal, it can be effective since, as Section Chief Hsu of Kaohsiung County Government pointed out, local planning officers can obtain very

useful information planning procedure, how plans should be presented before the RPC, and the professional backgrounds of those members likely to be in attendance at the time of presentation.

In this case of KSP District Plan, Section Chief Hsu had a counterpart in the Comprehensive Planning Division of the CPA, Ms. Chang. The assistance obtained from Ms. Chang included providing details of forthcoming RPC meetings and keeping Section Chief Hsu informed of latest progress on the KSP District Plan. Section Chief Hsu and Ms. Chang kept in touch through frequent phone calls and emails.

The good relationship between Ms. Chang and Section Chief Hsu was apparent beneficial when making the District Plan, but the lack of solid network for coordination between Kaohsiung County Government and the Water Resource Agency (WRA) made the water supply issue report hard to resolve. Since the representatives of the WRA changed frequently, Section Chief Hsu did not know whom she could contact and therefore the lack of personal network made coordination difficult (see Section 6.2.2).

Personal network also contributed to policy coordination between the KSP Division and Kaohsiung County Government. With regard to coordination at the local level, in order to support the development of KSP, County Government established the Industrial and Commercial Service Section as the counterpart to the KSP Division. When there was a need of assistance, the KSP Division would contact Section Chief Wu of Kaohsiung County Government first and she would offer her advice, otherwise she would suggest the Division to the relevant bureau from which they could get the

assistance needed. Section Chief Wu remained on good terms with Director Lin of the KSP Division and they talked to each other on their personal mobiles when there was a need. *'You can say we used a somewhat informal means to maintain our good communication'*, Section Chief Wu stated.

When the interview was conducted on 13th October, 2006, Section Chief Wu had left her job a few days previously. Although she was no longer working in the same job position, Director Lin of the KSP Division was still contacting her for assistance. However, because of the likely changes in job position and personnel, Section Chief Wu contended that communication based on an informal network should not be viewed as permanent since it will not last indefinitely. Therefore, a formal coordination mechanism to replace the informal contact based on a personal relationship network is essential. She then emphasised the importance of regular 'policy coordination meetings' and her sorrow that the KSP Division does not pay attention to this institutional design.

6.8 Conclusion

The second case study reinforces the findings of the first case in respect of the influence of powerful persons and the significance of informal networks.

In its bid to become the location for the National Telecom Technology Centre in 2002, Section Chief of the Industrial and Commercial Service Section of Kaohsiung County Government gave a surprisingly honest account of how Kaohsiung County Government used their 'political resource', i.e. the Speaker of Legislative Yuan, Wang,

to achieve their aim (see Section 6.4.1). Section Chief Wu admitted that this was an important factor to their winning the bid, but she also pointed out that their rivals also attempted to win the bid through lobbying powerful persons. This implies the influence of powerful persons is widely recognised and has become a useful 'asset' for local planning authorities to employ to affect policy making decisions. It also proves the influence of political intervention on Taiwanese planning even after the regime shift in 2000.

In addition, as in the first case, informal networks have played an important role in the case of KSP. A solid personal network helps to make policy making go smoothly and improves cohesion between organisations. For instance, the good relationship between Section Chief Hsu of Kaohsiung County Government and Ms. Chang of the CPA led to stable cooperation in the for KSP District Plan making process. On the other hand, lack of consistency in those representing the WRA resulted in a lack of solid personal networks and difficulties in communication with Kaohsiung County Government (see Section 6.6.2). The importance of personal networks was also highlighted when Section Chief Wu of Kaohsiung County Government who was the main contact person for the KSP Division had left her position, yet the Director of the KSP Division was still relying on her for assistance after she had relinquished her job.

The KSP case not only reinforces the findings of the previous case but also suggests additional points for reflection in relation to the weakened role of the CEPD and the increasing significance of the local planning authority in economic planning. Section 6.4.2 revealed the absence of the CEPD in the policy-making process for KSP (Interview with Senior Specialist Liao of the CEPD) and Section 6.4.1 showed that vigorous local planning authorities were gradually becoming involved economic

planning affairs which traditionally had been the sole duties of central government (Interview Dr. Chen, RPC Member). Further, the significance of the personal factor in Taiwanese planning was apparent in Section 6.4.1. As long as local governments had opportunities to become involved in economic planning, this factor was a useful instrument to achieve their goals, e.g. win the bid for site selection, and affect the RPC's decisions. Dr. Su, Assistant Professor of Chung-Jone University, indicated that political intervention in planning has become more frequent in recent years (see Section 6.4.1).

Given the foregoing findings, does the influence of the powerful person and personal network point to the lack of a coordination mechanism in Taiwanese planning? In the KSP case, there is contradictory evidence to draw a firm conclusion in this regard. In the interview with Section Chief Hsu of Kaohsiung County Government, she referred to the water supply report issue and contended that the difficulty in making the KSP District Plan resulted from the lack of a coordination mechanism between different sectors (see Section 6.7.2). However, Dr. Chen, RPC Member, argued that the RPC meeting is a platform for crosscutting and sectoral policy coordination (Section 6.6.1). The difference in view between a RPC member and local planning officer demonstrates that a policy coordination mechanism does exist despite it is not fully operational and somewhat effective. The inconsistent justification about the existing coordination apparatus might be generated from different experience. The conclusion about the coordination mechanism is expected to be illustrated in the final chapter after the findings of the third case study.

The third case study in the following chapter offers a slightly different perspective on cross-sectoral coordination in relation to planning in Taiwan. It involved the re-use of

brown-field land, thus brought different policy sectors and interests into play. In addition, policy initiatives originating from local government rather than central government were involved.

Chapter Seven Case Study 3: Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP)

7.1 Introduction

The KMFCTP project is part of the Asian Pacific Regional Operation Centre (APROC) programme, a long-term national development project underway since 1994. The goal for the Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP) project is to attract 40% of the three million transshipment containers that come to Kaohsiung Harbour each year into the vicinity of Kaohsiung City. The project is also expected to provide a place to re-process, manufacture and re-export containers after undergoing a value-added process. In virtue of the development of KMFCTP, Kaohsiung City is anticipated to attract international and domestic investments and the local economy will be regenerated. Kaohsiung City Government is determined to reorganise and transform its urban developmental strategy to assist the promotion of KMFCTP.

As a complex project, a significant feature of KMFCTP is it is a project undertaken by both central and local governments, since it contains various small projects across the sectors of land use planning, economic development, urban renewal, and transportation. The participation of a variety of sectors offers an opportunity for the researcher to reveal their relations in the policy making process. Moreover, as the latest government project designed by a local planning authority and promoted by central government, the KMFCTP project presents an ideal case to explore policy coordination throughout the institutional change that took place in the late 20th

century.

This chapter will present the historical context of KMFCTP in Section 7.2 and give a detailed description of policy making process in Section 7.3. The economic planning framework and land use planning role will be introduced in Section 7.4 and 7.5, while Section 7.6 focuses on policy coordination in relation to KMFCTP. Research findings derived from data generated from the field work and interviews will be presented in Section 7.7.

7.2 Historical Context and Background Details

7.2.1 Historical background and social milieu

In June 1995, due to the changing global economy, the Executive Yuan drew up a national strategy which included an ambitious economic project entitled the 'Asia-Pacific Regional Operations Centre' (APROC) programme in order to promote Taiwan's status as the gateway to the west Asia-Pacific region. The APROC programme was designed to contain six sub centres for air-transportation, media, manufacturing, sea-transportation, telecommunication, and finance.

Kaohsiung city is the most important industrial city in southern Taiwan. It is endowed with two significant industrial zones, Qian-Zhen Export Processing Zone and Nan-Zi Export Processing Zone. Moreover, Kaohsiung City owns Kaohsiung Harbour which is not merely an important transshipment centre of the Asia-Pacific region, but was the

third largest container port in the world in the late 1990s⁴⁸. Due to all its merits, Kaohsiung was chosen to be the development site of manufacturing and the sea transshipment centre of the APROC programme. In addition, on the land of Kaohsiung Harbour Zone has been created the Kaohsiung Multi-Function Commerce and Trade Park (KMFCTP).

After receiving the official document No. 17486 from the Executive Yuan in June 1996, the Public Works Bureau of Kaohsiung City began rigorously making KMFCTP a reality. Although central government did not approve this plan until the mid 1990s, the story of KMFCTP can be traced back to the early 1990s when there were changes in the social context and planning concept as a result of the democratisation process which had begun in the late 1970s.

In the late 1980s, the relationship between the central government and Kaohsiung City Government had become strained because the citizens of Kaohsiung City felt they had been poorly served by neglected by the central government since it had placed many heavy industrial facilities with high-pollution plants in Kaohsiung City rather than cultural and more pleasant infrastructures. Even more irksome was the fact that although government-owned factories had produced pollution in Kaohsiung, they had handed over taxes to the central government in Taipei. Accordingly, Kaohsiung had derived no benefits from the industrial facilities located within it but endured many disadvantages from such economic development. Therefore, local discontentedness inevitably appeared (Wang, W., 2006).

⁴⁸ Facing severe competition from container ports on the coast of China, the ranking of Kaohsiung harbour had declined to the eighth largest container port in the world in 2007 (Port of Kaohsiung, 2008).

At the same time, as a result of the movement towards democratisation which had emerged in the 1970s, there was growing antagonism towards the central government and KMT's autocracy. In the 1980s, President Ching-Kuo Chiang began to realise that it was time to loosen the authoritarian rule of the KMT, adopted by his father, Chiang, Kai-Shek, with a more democratic rule. Such decision was, of course, also influenced by other factors, e.g. international pressure, increasing globalisation, etc, (Wu, N., 2000).

Also in the late 1980s, uneven spatial development was becoming increasingly apparent in Taiwan. A gap between not only economic development but also social culture was emerging between the capital city Taipei and other areas (Interview with Professor Chou, National Taipei University, September 2006). Based on a somewhat sense of superiority and misunderstandings, negative images about less-developed areas outside Taipei were continually being produced in the mass media, despite the many efforts local authorities made to counteract them. As in the other municipality, Kaohsiung, the people whether government officers or ordinary citizens began to display increasing resentment against the central government. As reported by Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government, interviewed in September 2006:

'Councillors, whatever their political party, often asked Mayor Wu when he was going to challenge the central government for its unfair treatment of Kaohsiung City'⁴⁹. Their resentment against the central government was the

⁴⁹ According to Professor Ho, Kaohsiung City Councillors often used intense language, such as '市長, 你什麼時候要去中央翻桌子', to express their anger.

background against which the KMFCTP project was generated... Previous Mayors, for example, Mayor Wang (1973-1981) and successive Mayors had all attempted to challenge the central government due to local citizen's discontent with its seeming contemptuous attitude towards them. The KMFCTP project was as an attempt by Kaohsiung City Government to dampen local anger and improve the local economy.'

Apart from the social milieu, some institutional factors also played significant roles in the establishment of KMFCTP. For instance, land owners in the area of KMFCTP were mainly big businesses whereas Taiwanese society has inherited a culture of Confucianism and an anti-business class tradition. Commenting on this, Professor Ho, also a well-known academic in the field of institutionalism in Taiwan, said when interviewed in September 2006.

'An anti-business culture is not a specific feature of social attitude in Kaohsiung City, but a common thought in Taiwanese society. It might be due to the traditional Confucian legacy which ranks occupation in order of academics at the top, followed by farmers, labourers, and then merchants'⁵⁰,

Behind this anti-business culture, there might also have been a political motive. Most landowners at that time were big companies owned by central government. It was never easy for the local planning authority to negotiate land acquisition with big corporations owned by central government and they generally refused acquisition proposal since it was central government not local government that own these

⁵⁰ The occupation order in Chinese is 士農工商.

companies (Interviewed with Deputy Chief Engineer Hsu, the Urban Development Bureau of Kaohsiung City Government in September 2006).

At the same time, due to the prevailing anti-business culture, local citizens tended to question whether there were private deals being made between the local planning authority and large landlords. To show that there were no private deals being made, Kaohsiung City Government established a strict standard that led to be followed in the land acquisition process (see Section 7.5.2) and argued it would ultimately benefit the local economy. The anti-business culture and anti-central government sentiment were used by Kaohsiung City Government to promote the KMFCTP project during the plan making process at the central government level. To against this background, the democratic movement was also gaining in strength and support. To maintain its rule at the central level, it was in the central government's interest in the long-term to support the project because it was aware of Kaohsiung citizens' growing resentment against it (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government).

Under such circumstance, the milieu had offered Kaohsiung City Government an excellent opportunity to bargain with the central government in order to achieve its goal for local economic redevelopment. There will be more discussions in Section 7.5.2.

7.2.2 Land use plan and location

The areas Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP) covers was mostly a brown field site on which were located heavy industries, such as chemical factories, and a military arsenal. The land use plan for KMFCTP project was

therefore for a redevelopment scheme to regenerate local economy.

The KMFCTP is located on the east side of Kaohsiung Harbour (see Figure 7.1). It is surrounded by an excellent traffic network comprising Highways H1 and H10, Provincial Highway T1 and T17, a high speed railway and Kaohsiung Mass Rapid Transport System (MRT). Kaohsiung International Airport is only a few kilometres away. Due to its outstanding location, it is not surprising that Kaohsiung City Government has enthusiastically promoted the land use plan for KMFCTP as a means to drive the local economy.

Based on Kaohsiung Harbour's unique attributes, Kaohsiung City Government has drawn up a detailed redevelopment plan for the port. The plan is to create a multi-functional marine transportation centre which will provide warehousing, transshipment, financial, commercial and other related services. According to the proposed plan (Kaohsiung City Government, 2000a), the KMFCTP will encompass 587 hectares of land, most of which originally belonged to Qian-Zhen and Kaohsiung Export Processing Zones, Middle-Island commercial harbour zone, and the commercial zones of Pong-Lai, Yan-Cheng, and Ling-Ya. In other words, the KMFCTP project is a redevelopment plan of brown-field and its aim is to reuse abandoned industrial land for local economic restructuring. Therefore, the contents of the KMFCTP project differ from ordinary industrial development. There are three zone divisions included in the KMFCTP project (Figure 7.2):

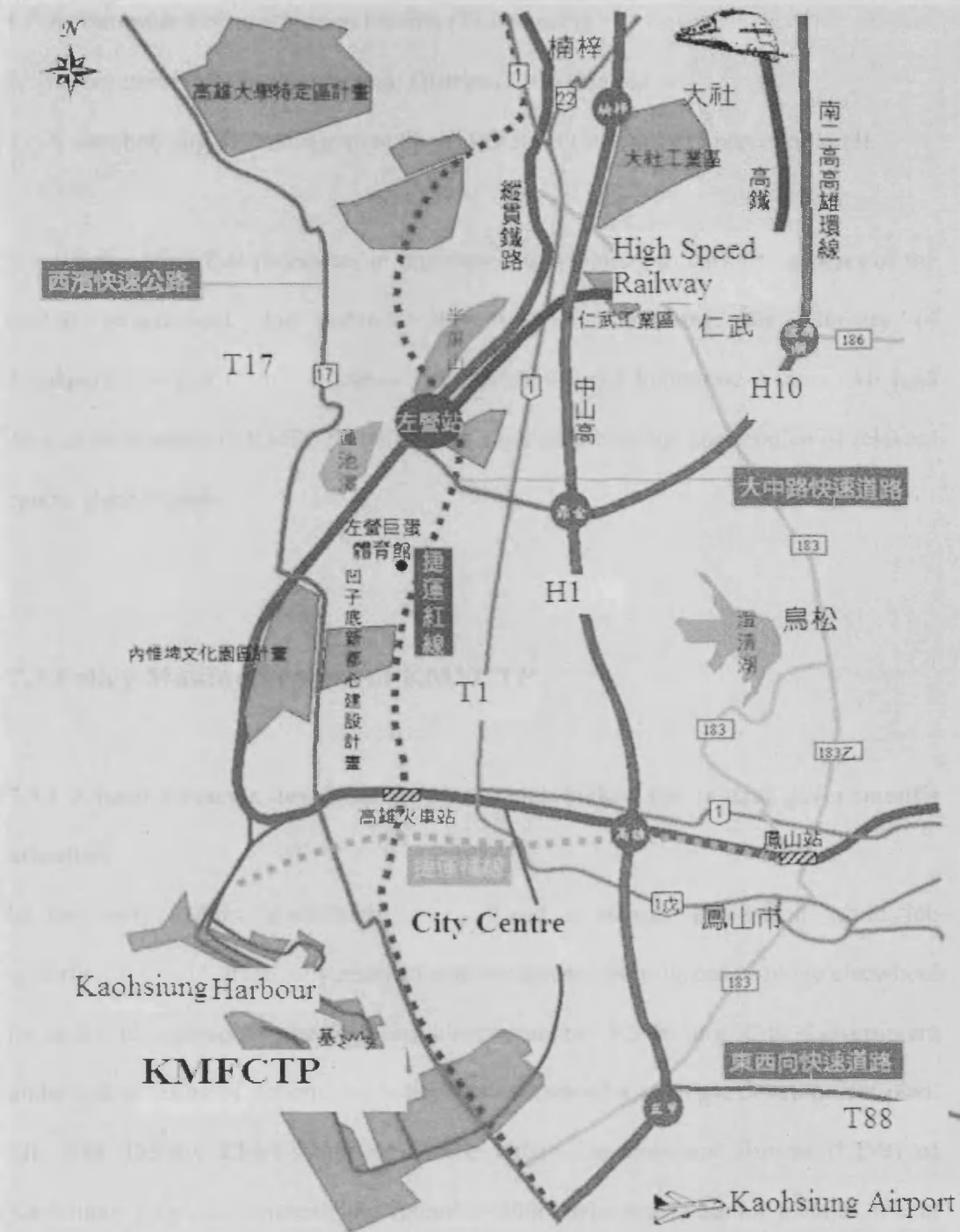


Figure 7.1 The Location and Transport System of KMFCTP (not to scale)

Source: Kaohsiung City Government (2006)

1. A cultural & Leisure Special District (77 hectares)
2. A commercial & Trading Special District (210 hectares)
3. A warehousing & Transshipment Special District (300-hectare parcel of land).

It is worth noting that properties in this area mostly belong to various agencies of the central government, for instance, the Port of Kaohsiung, the Ministry of Transportation and Communication and the Ministry of Economic Affairs. All land development plans in KMFCTP will be accepted only with the cooperation of relevant central departments.

7.3 Policy Making Process of KMFCTP

7.3.1 A local strategic development plan which lacked the central government's attention

In the early 1990s, Kaohsiung city suffered a serious depression while job opportunities were drastically reduced and inhabitants were forced to move elsewhere. In order to overcome the reduced circumstances, Kaohsiung City Government undertook a series of actions, including the making of a strategic development plan. Mr. Hsu, Deputy Chief Engineer of the Urban Development Bureau (UDB) of Kaohsiung City Government in September 2006, who was a senior planner at that time, was charged with drawing up the comprehensive plan for Kaohsiung City. According to the interview with Deputy Chief Engineer Hsu, what the city needed was an economic transformation as a result of the decline of traditional manufacturing. Therefore, the primary task facing him and his team was to look for an alternative approach for urban redevelopment.

In 1993-1994, after referring to the development of Hong Kong, Singapore and Rotterdam, the UDB submitted a proposal to make Kaohsiung port a regional logistic hub in order to take advantage of the national economic programme to establish an Asia-Pacific Regional Operations Center (APROC). At that time, the central government was eager to promote the APROC programme, and Kaohsiung City Government successfully linked the KMFCTP project and APROC programme by making KMFCTP a sub-plan of the APROC programme. Ultimately, the APROC programme was ineffective due increasing tension between China and Taiwan which affected direct trade between the two countries (Tu, 2008).

As soon as the goal was established, several projects were soon promoted, such as the T88 highway, port transport accessibility, and underground railway, etc. However, the local planning authority soon found implementing individual infrastructure projects difficult, highlighting the need for a strategic plan for the development as a whole. As a result of working with several international planning consultancies, the strategy the UDB adopted was to upgrade local industries and place Kaohsiung Harbour in the centre of the development plan.

However, management of Kaohsiung Harbour is a central government responsibility. Without the cooperation of the relevant central agencies, the KMFCTP project could not be implemented. Although Kaohsiung City Government had presented the KMFCTP project to central government in 1995 through its connection to the APROC programme, the central planning authority, the CEPD, delayed in evaluating and assessing the project for two years. Deputy Chief Engineer Hsu of the UDB of Kaohsiung City government said: *'They (the CEPD) seemed to adopt many methods,*

including panel meetings to slow down the plan making process for the KMFCTP project'.

Eventually, a milestone in the project was reached in 1997 when the Premier of the Executive Yuan, Vincent C. Siew, instructed Ministries to assist the development of the KMFCTP project (see Table 7.1). He thereafter appointed a KMFCTP Commission which was led by the Vice Premier. A Commission meeting took place in July in the same year and resolved some of the conflicts between local and central governments, though many problems with coordination still remained. (Interview with Deputy Chief Engineer Hsu of the UDB).

7.3.2 Central agencies' attitude to the KMFCTP project

As mentioned in previous sections (see Sections 7.2.1 and 7.3.1), the KMFCTP project originated from the concept of redeveloping the brown zones around Kaohsiung harbour, and there was 'bottom-up' policy making led by the Urban Development Bureau (UDB) of Kaohsiung City Government.

In the early 1990s, the UDB had foreseen the rise of China and ASEAN and realised the competition in East Asia would become increasingly tough, therefore Kaohsiung city had to increase its competitiveness by exploiting its good location and good transport linkage to three big economies, Japan, China and ASEAN. A panel was formed by Kaohsiung City Government to consider restructuring of the local industries and local economic reform. It compiled a report which was submitted to Mayor Nan-Chen Su suggesting Kaohsiung should be developed as a gateway to the region of East Asia (Interview with Deputy Chief Engineer Hsu of the UDB).

Table 7.1 Chronological Development of KMFCTP

Source: Kaohsiung City Government (2006); Interview transcriptions

Jun 1995
<ul style="list-style-type: none">• Executive Yuan announced the APROC programme.
Jun 1996
<ul style="list-style-type: none">• Executive Yuan instructed Kaohsiung City Government to embark on urban regeneration by means of KMFCTP.
Jul 1997
<ul style="list-style-type: none">• The Premier of the Executive Yuan, Vincent C. Siew, instructed Ministries to assist the development of the KMFCTP project in order to promote the APROC programme. The KMFCT Commission led by Vice Premier convened a meeting.
1998
<ul style="list-style-type: none">• President Lee visited Kaohsiung and confirmed his full support for the KMFCTP project after a meeting with Mayor Wu.
Dec 1998
<ul style="list-style-type: none">• Frank Hsieh (DPP) replaced Den-Yih Wu (KMT) as the Mayor of Kaohsiung City Government.
14th Dec 1999
<ul style="list-style-type: none">• Urban Planning Committee of the CPA approved the District Plan for KMFCTP.
20th Dec 1999
<ul style="list-style-type: none">• The KMFCTP District Plan released.
30th Sep 2002
<ul style="list-style-type: none">• The first phase of regeneration for KMFCTP was undertaken.
1st Feb 2005
<ul style="list-style-type: none">• Frank Hsieh became the Premier of the Executive Yuan (2005-2006).

The report suggested that manufacturing and re-exportation should be the strategy adopted. However, it would be impossible to implement such a big strategy without the support from the central government. At that time, the attitude of central government was vague- neither encouragement nor objection was shown clearly. In other words, central government was indifferent to the KMFCTP project at the beginning (Interview with Deputy Chief Engineer Hsu of the UDB).

Planners and local politicians all understood manufacturing had suffered from the challenge of industrial restructuring. When the KMFCTP project was in the planning consultation process before the plan making process in the Urban Planning Commission of Kaohsiung City Government, the discussion focus was on how to obtain support from the central government instead of its appropriateness for local economic development (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government). It was clear that the KMFCTP was a project related to a number of stakeholders and many central agencies and there was a need of the CEPD's assistance in order to coordinate with Ministries. As a result, it would be infeasible for a local government complete such a big project alone.

It was thought that the KMFCTP project would be difficult to get the attention of central government, since it was rare for such an economic project at such a developmental state to be promoted by a local government (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government). The turning point came in the mid 1990s, when the APROC programme, a priority economic project, received the full support of the Executive Yuan. This priority economic project provided an excellent opportunity for the KMFCTP project to fully catch the central government's attention. As regards the excellent location of Kaohsiung city, the

CEPD, the central planning authority, paid attention to development of the area around Kaohsiung harbour in order to promote the APROC programme.

Kaohsiung City government therefore grasped the opportunity to market the KMFCTP project as a sub-plan of the APROC programme and received a positive response from central government. This positive response was based on the strategy of connecting the KMFCTP project to the APROC programme, which was the priority economic policy of central government at that time. In fact, the KMFCTP per se was a redevelopment plan for local economic restructuring rather than a plan to promote national economic development. Accordingly, Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government, described the KMFCTP project as a redevelopment plan covered in beautiful wrapping paper to attract the central government's attention when interviewed in September 2006⁵¹. Finally, the Executive Yuan approved the KMFCTP as a sub-plan under the APROC programme.

However, Kaohsiung City Government complained that it had received little support from the central government and pointed out that the CEPD still displayed hesitancy towards the project. Senior Specialist Liao of the CEPD, who in charge of the coordination work for this project, admitted the CEPD had reservation the KMFCTP project:

'In the beginning, we thought it was a very innovative project with a too optimistic expectation of profit, therefore, we did not intend to offer a budget when Kaohsiung City Government asked for money for future plan

⁵¹ Professor Ho's original description in Chinese was '高雄多功能經貿園區計畫就我了解 是一種包裝'.

making, .even though there was a panel, chaired by the Vice-Premier, set up for the promotion of KMFCTP.'

However, as a central planning authority, the CEPD had another concern about the KMFCTP project as indicated by Senior Specialist Liao:

'In fact, the plan was too ambitious and impractical. It is good to have a great vision for local development, however, it is also important as well to take reality into account. Therefore, the problem was not whether we would support it but whether it could come true. A vision is fine but it needs to be completed step by step. Planning in Taiwan is still a government-dominated field although there is still room for public participation.'

Liao's words illustrate the difference in concept of Kaohsiung City Government and the CEPD. The former was primarily concerned with local economic restructuring whereas the latter paid more attention to national economic development as a whole. Despite Kaohsiung City Government's presentation of the project to the Executive Yuan and its linkage to the APROC programme, the CEPD hesitancy in supporting it delayed the plan making process at the central level. It was not until Premier Siew appointed a Commission in 1997 (see Section 7.31) with the sole responsibility of promoting the KSP that the central government's attitude towards the project became more positive. .

7.4 Economic Planning for KMFCTP

7.4.1 'City-Harbour combination' and the President's support

The KMFCTP project had undergone a difficult policy making process at the central government level. However, things did not go smoothly despite Premier Siew's support in 1997.

One of the points the local planning authority emphasised was the 'City-Harbour combination' to integrate port operation and urban development (this concept has been applied in many famous harbour cities' planning). However, the Harbour operation before 1999 was the responsibility of Taiwan Provincial Government and the proposed development of the harbour had not taken city planning into account. Wherever Kaohsiung City Government needed to talk to Taiwan Provincial Government, the request would be passed on to the Executive Yuan which would then deliver the message to Taiwan Provincial Government. That is to say, there was no coordination apparatus between Taiwan Provincial Government and Kaohsiung City Government, although they were at the same level of the planning institution hierarchy (see Figure 3.4).

It is not surprising that local planning authority encountered difficulty in the policy coordination process in relation to the harbour development. The lack of connection between harbour management policy and the urban development plan resulted in a separation of the urban planning and port area planning activities. This was the reason Kaohsiung City Government argued that management of the city and harbour should be combined to avoid policy fragmentation (Kaohsiung City Government, 2001).

The lack of integration between harbour and city planning activities affected the development of the KMFCTP project. Moreover, in spite of the appointment of the KMFCTP Commission by Premier Siew in 1997, the project did not progress as anticipated since the local planning authority experienced many difficulties in acquiring land around the harbour from central government agencies. In 1998, Mayor Den-Yih Wu was seeking re-election as Mayor of Kaohsiung City. Just before the election, President Lee visited Kaohsiung City and had a meeting with Mayor Wu and other City Government officials. For Kaohsiung City Government, this presented an opportunity to promote the KMFCTP project and win the President's support. Deputy Chief Engineer Hsu of the UDB, who participated in the meeting, recalled:

'We arranged a ten minutes presentation to President Lee in the Grand Hotel and gained his support. This project was fully confirmed then. Since the project could not get resources from the Executive Yuan, we turned to seek support from the President. Thanks to Mayor Wu's political status, the KMT Central Standing Committeemen, and the Mayoral campaign, the KMFCTP project was eventually supported.'

Deputy Chief Engineer Hsu's comments above reveal, first the significance of the President's support, and, second, the role of a political consideration in the planning decision. As mentioned there was a mayoral election taking place in 1998, and the President of the KMT, President Lee hoped the KMT candidate, Mayor Wu, would be victorious in spite of Kaohsiung City being known as a metropolitan area with an anti-central government sentiment (see Section 7.2.1). President Lee's support of the KMFCTP project sent a clear message to the citizens of Kaohsiung that the central

government was concerned about the local economy.

7.4.2 Negotiation with central government

For the KMFCTP project's success, assistance from central government was extremely important since not only it was formatted through the 'bottom-up' process, but also it was an economic project comprising of a number of brown field sites mostly belonging to central government such as the Taiwan Aluminium Company and Taiwan Sugar Corporation.

Despite most developmental land belonging to central government, due to the variety of supervisor' authorities, there had been fragmented land use planning in the area. For instance, most of the land then was either in a very low-dense use category or empty whilst, next door, Kaohsiung Port Administration had suffered a shortage of developmental land. It is surprising that the policies of agencies under the same central administration were not coordinated and it should be noted that before the streamlining of Taiwan Provincial Government in 1999, it owned much of the land in the area of the proposed KMFCTP project. However, the Provincial Government was unwilling to negotiate land use with Kaohsiung City government which made it difficult for the local planning authority to advance the planning process for the project. With regard to the indifferent attitude of the central agencies and Provincial Government on local development, Kaohsiung City Government decided to include all the surrounding land of Kaohsiung harbour in the KMFCTP project for an integrated land use planning (Interview with Deputy Chief Engineer Hsu of the UDB in September 2006).

Moreover, the context of fragmented land use planning also explains why the central

government hesitated to assist, that is to say, the KMFCTP project was related to many sectors, e.g. the Provincial Government, MOEA, Ministry of National Defense and so on. The MOEA, in particular, was a very 'proud' department and also a very large organisation. Most of the public companies owned and managed by it in the KMFCTP area had refused to cooperate with Kaohsiung City Government according to Deputy Chief Engineer Hsu when interviewed.

In Taiwan, the MOEA is responsible for managing government-owned corporations such as Taiwan Sugar Corporation. Since the aim of the KMFCTP project was the redevelopment of brown field land, mostly owned by government-owned corporation, there was inevitably a need to negotiate with their management body, the MOEA. Unfortunately, communication between the MOEA and the local planning authority seemed not to go well, as Deputy Chief Engineer Hsu of UDB indicated:

'All the MOEA concerned was about the loss of land control if KMFCTP were to be completed and it, therefore, as a central agency, disregarded what the local planning authority wanted. Departmentalism made the MOEA ignore our suggestions and view economic development as its business and something which the local authority did not need to get involved in. We knew the problem of the local economy and the solution as the local planning authority, but the MOEA disregarded this.'

In fact, the MOEA was not the only central government agency the UDB needed to negotiate with during the project making process; The UDB had to negotiate with a number of Ministries which owned large land areas in the project area, e.g. the Ministry of Transportation and Communication, in order to switch parts of their land

to the land to the territory of KMFCTP. Communication with other central agencies mostly centred on the same issue, land use switch, but the MOEA proved the most difficult Ministry with which to deal over the land use switch issue.

To resolve difficulties, Kaohsiung City Government's strategy was to raise awareness of the project at the central government level since most land in the project area belonged to the government-owned corporations managed by central government. The first step was to report the problem to the Executive Yuan, and by means of this strategy, the Executive Yuan started to take note of this project and appointed a KMFCTP Project Commission led by Vice Premier. Two meetings took place to resolve the land switch issue. Due to the intervention of the Executive Yuan, some problems in relation to land use switch were solved (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government)

Although this strategy worked sometimes, it was not necessarily a panacea because the Executive Yuan would not often intervene in inter-agency coordination. That was more or less because the KMFCTP project was initially drafted and promoted by the local planning authority, therefore, the central government had not been very interested in it. However, Kaohsiung City's status as a municipality, directly under the jurisdiction of the Central Government in the administrative hierarchy, brought some advantages as recalled by Professor Ho (ex-Vice-Secretary-General of Kaohsiung City Government):

'Mayor Wu could attend the Executive Yuan Council (the regular Cabinet meeting) which presented him with the opportunity to talk to Ministers face to face. It actually offered a platform where the Mayor of the City Government

and the heads of Ministries could reach conclusions, though this usually took some time.'

It was argued the Executive Yuan Council offered a platform in which the KMFCTP project could be presented and it assisted policy coordination between City Government and central agencies.

7.5 Land use planning for the KMFCTP Project

7.5.1 Planning context for the KMFCTP project

As Section 7.3 illustrated, the KMFCTP project was a redevelopment plan covered with a beautiful wrapping paper, i.e. it was a sub-plan of the APROC programme (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government). There were two dimensions to the KMFCTP project: it was a strategic industrial project, combining land use and economic planning, and also a brown field redevelopment plan which was a typical instrument adopted by local planning authority for urban regeneration. In other words, both economic planning and the redevelopment of urban industrial land were two concerns in the policy making process for the KMFCTP project.

In the early stage of the KMFCTP project making process, there was a big debate on how to bring economic strategy and land use planning together, although the term 'spatial planning' was not used in the planning discourse. At the same time, a working panel for comprehensive planning was set up. It was chaired by the Secretary-General of Kaohsiung City Government to draw up a strategy for the future development of

Kaohsiung City. The working panel suggested that Kaohsiung City Government should refer to Dutch spatial planning system due to several known successful urban regeneration and local economic restructuring experiences (Interview with Deputy Chief Engineer Hsu of the UDB). However, this suggestion was not adopted by the central planning authority until the KMFCTP project became part of the APROC programme in the middle 1990s.

The year 1997 was also a key year for the KMFCTP project since Hong Kong was returned to China and many foreign investors began to look for alternative sites for their investment. That seemed to offer a good opportunity for KMFCTP to attract foreign investment, unfortunately, as stated earlier, central government recognised the significance of the KMFCTP project somewhat too late, in 1998 when Mr. Siew, Premier of the Executive Yuan, asked Vice Premier Chiang to organise a KMFCTP Commission to assist development of the KMFCTP project. From that moment onwards, central government began to stress the importance of this project. (Interview with Deputy Chief Engineer Hsu of UDB). Moreover, the anticipated direct trade between Taiwan and China was not released because of increasing tension between the two nations, especially after 2000 when the DPP came to power and China became concerned that it would promote the independence issue (Wang, W-C., 2006). In spite of the frustration at the lack of attention shown by central government towards the significance of the KMFCTP project for local economic development, Kaohsiung City Government continued to promote the KMFCTP project, and in 1999 introduced the concept of a logistic centre into the land use plan (Kaohsiung City Government, 2006).

Although Kaohsiung City Government was understandably concerned about the local

depression in the 1990s, and therefore the manufacturing industry restructuring became the focus of the KMFCTP project, there were endless questions about the capacity of Kaohsiung City government to promote such a big project and also doubts as to whether the local economy could be revived by a single developmental project (Interview with Senior Specialist Liao of the CEPD).

7.5.2 The strategy adopted in the land use planning of KMFCTP

The reason Kaohsiung City Government combined the development of the city and harbour has been explained in Section 7.4.1. The KMFCTP project was seen as a local economic development plan per se, and land use planning was a tool to promote local economic development (see Section 7.3.1). At that time, in order to use this instrument effectively, the local planning authority introduced the planning permission process to the development approval procedure in the project. Thus, the local planning authority retained the power to intervene if land owners submitted inappropriate development proposals (Interview with Senior Officer Chang, UDB, September, 2006)

After the KMFCTP project obtained approval from central government, Kaohsiung City Government embarked on land use switch plan making in the area of KMFCTP. It asked landowners who were mostly government-owned corporations to submit their development proposals. However, Kaohsiung City Government received several negative responses from these companies as indicated. For example, Taiwan Fertilizer Corporation stated that the chemical plant was unique in Taiwan, Taiwan Power Company argued that removal of its power station located in the KMFCTP would impact negatively on the regional economy. In addition, the Ministry of National Defense reported that it was an extremely difficulty relocating the 205 Military

Arsenal. There were so many difficulties encountered by the planning authority in its negotiations with other central governmental organisations according to Deputy Chief Engineer Hsu of the UDB, Kaohsiung City government. He said:

'The local planning authority faced so many difficulties that it reported its problems to the Urban Planning Committee of the CPA and also to the Executive Yuan. There was a coordination meeting convened by the Executive Yuan attended by Executive Yuan officials, local planning officers and representatives from relevant agencies. In spite of this meeting, the problems were not resolved at that time.'

With regard to planning practice, it is noticeable that in the current Taiwanese planning system, it is difficult to change the existing land use category (see Section 5.5.3) unless land is to be used for developmental purpose. Accordingly, the KMFCT project also implied an opportunity for land use switch. Moreover, as a redevelopment plan, the KMFCTP project requires wide local support, including that from land owners (most of which are government-own corporations), interest groups and politicians, to implement. Nevertheless, due to the atmosphere of anti-business sentiment mentioned in Section 7.2.1, the City Government was cautious about undertaking a project in relation to land development since it was afraid of being accused of supporting 'gold power'⁵². This forced the local planning authority to emphasise the importance of the KMFCT project for local economic development and look for local support in the negotiation process with central government⁵³.

⁵² Please see section 3.23 for more discussion about 'gold power'.

⁵³ The tension between central government and Kaohsiung City never relaxed until recent years (see Section 7.2.1).

At that time, Professor Ho was a Chairperson of the working panel established by the City Government to support the development of the KMFCT project. According to him when interviewed, to attract the support of local peoples, the local planning authority adopted a high land return percentage after development in KMFCTP, therefore, this project would offer extremely high financial benefits to Kaohsiung City. This strategy, however, had a negative impact on large land owners, mostly government-owned corporations, since after development they would have to return a large portion of land to the Kaohsiung City Government.

Nevertheless, this strategy was successful in attracting local support for the project since the local planning authority would gain advantages at the central government's expense. Thus, the central government would be the loser and the local government the winner in this strategy. Such strategy would compensate local citizens for the disadvantages they had had to endure from previous central government policies (see Section 7.2.1).

It was understandable that government-owned companies, i.e. large landowners, would be dissatisfied with this strategy. In other developmental areas in Kaohsiung City, the land return percentage was normally around 35%, whereas in KMFCTP, dependent on land use, it was on average 50% but could reach 68% (Kaohsiung City Government, 2000b). As mentioned, most landowners at that time were government-own corporations managed by central agencies. Accordingly, the City Government declared it was prepared to defend local interests, even fight against the central government, if there was necessary. It is worth noting that the attitude of central government to this strategy was relatively mild, as Professor Ho

(ex-Vice-Secretary-General of Kaohsiung City Government) recalled:

'Central government and its public owned corporations continued negotiations with Kaohsiung City Government in order to find a solution to the high land return percentage issue. However, the City Government never gave way to government-owned corporations and maintained its stance on the issue'

This suggests the City Government's strategy was successful. However, how did the City Government deal with coordination work with local interest groups and central government-owned companies to achieve this success? The study findings revealed there were far less coordination problems with private landowners who generally supported the KMFCTP project. Other local interest groups were also happy to see the development of KMFCTP, and included foreign investors from American and European Business Associations. This situation was unusual in that normally negotiations with private stakeholders were difficult (see the case of TSP, Section 5.5.2).

Referring to negotiations between the local planning authority and public stakeholders, Deputy Chief Engineer Hsu of the UDB indicated that they were complex:

'Government-owned companies did not welcome the project since once the project was approved, their use of land would be bound to the KMFCTP District Plan. Moreover, they disliked the high land return percentage which would result in a potential loss for them.'

The gap between Kaohsiung City Government and government-own corporations in

respect of the KMFCTP project was very wide. While government-owned companies were concerned about the high land return percentage and the land use switch problem, the local planning authority complained that government-owned corporations did not realise the challenges facing the local economy. As a result of the differing considerations, conflicts emerged and coordination became difficult.

7.6 Horizontal Policy Coordination in the Case of KMFCTP

7.6.1 The role of the CEPD in relation to crosscutting coordination

Since the KMFCTP project would affect the interests of government-owned corporations under the supervision of various ministries, during the planning process, the Urban Planning Bureau (UDB) of Kaohsiung City government called many meetings to facilitate coordination with central authorities. As the economic planning authority and planning consultant agency at the central level, the CEPD has played an important role in policy coordination with central agencies.

Professor Tong-Po Ho, ex-Vice-Secretary-General of Kaohsiung City Government, indicated there were three approaches the local planning authority had used for policy coordination. As long as the City Government and Ministries could reach consensus through the formal coordination mechanism, a decision would be made. This was the first coordination approach. The second was informal talks between the Mayor and Ministers prior to the Executive Yuan Council (Cabinet Meeting) at which a presentation would be made. Thirdly, crosscutting coordination could be facilitated at the meetings or the Premier would offer unwritten guidance. If the issue under discussion was too complicated to resolve via the aforementioned two methods, the

Executive Yuan would appoint the CEPD to take over policy coordination across departments. In the case of KSP, normally the UDB would officially report the need of assistance to the Executive Yuan and the CEPD would be asked to coordinate relevant agencies to present a decision to the Premier. Professor Ho stated:

'Due to the status of the municipality in the administrative hierarchy, Kaohsiung City Government stands at an equal level to other central departments (see Figure 3.4). Moreover, the Mayor can attend the monthly Executive Yuan Council (Cabinet meeting) at which he has the opportunity to talk with other Ministers. The Mayor can propose significant plans at Cabinet meetings and the Premier appoints the CEPD to carry out an assessment of them. Of course, we have preparatory talks with our counterparts in central agencies prior to proposing any plan at Cabinet Meetings.'

In addition to Professor Ho's comments, other relevant interviewees mentioned that the CEPD played a significant role during the plan making process (Interviews with Senior Officer Chang and Deputy Chief Engineer Hsu of the UDB) because for the KMFCTP to be successful, interdepartmental coordination at the central government and the assistance of the CEPD were necessary.

However, there was no regular meeting between the CEPD and Kaohsiung City Government. Wherever Kaohsiung City Government needed to communicate with the CEPD, it would send official letters to the organisation, or sometimes the Mayor would make a phone call to the Premier or Vice-Premier or the Mayor's assistants would contact them. Communication was not always by formal means, sometimes informal channels were used. Senior Specialist Liao of the CEPD agreed that both

formal and informal channels were used:

'We would have meeting with local planning officers wherever there was a need. However, informal channels of communication were just as important prior to formal meetings.'

It is worth noting that while the CEPD plays a consultative role in planning policy, policy director from the 'upper level', i.e. the Premier and President, are still the ultimate authority.

7.6.2 Personal factors

The significance of personal factors in cases has been illustrated in former chapters, and they also played a role in the case of KMFCTP. It is worth noting that some inter-agency conflicts have been resolved through informal networks, for instance, the issue concerning the extension to the T88 highway.

The extension to T88 highway is one of the important traffic routes connecting KMFCTP to the main transport trunk route. While initially the extension to T88 highway had not been supported by the Ministry of Transportation and Communication until a personal relationship exerted its influence. As a planner in charge of the KMFCTP project, Deputy Chief Engineer Hsu of the UDB had attempted to look for an alternative means to solve the problem. Ultimately, the problem was solved through a personal contact:

'The Ministry of Transportation and Communication eventually supported the extension to the T88 highway after I convinced the Administrative Vice Minister,

Mao of its importance. In fact, I have known Mr. Mao since he visited me for his PhD research many years ago. On the occasions of panel meetings for Kaohsiung development 2020, we had opportunities to talk and he agreed to help with the infrastructure that KMFCTP required.'

The construction of the extension to the T88 highway was not the only occasion where a personal network had been useful and constructive. Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government, revealed that negotiations with the CEPD had been easy for Kaohsiung City Government because the Secretary-General of the CEPD had been his senior at graduate school. Mayor Wu also had a good personal relationship with the Chairperson of the CEPD. Both these revelations suggest there is an informal network behind the formal government structure.

As a result of useful personal relationships and solid informal networks in the case of KMFCTP, there were no communication problems between leaders at the higher departmental levels, i.e. Section Heads or higher. However, communication problems arose when there was a frequent change in personnel in leadership positions and this made coordination difficult. For instance, the extension to the T88 highway was agreed by the Administrative Vice Minister Mao, but he left his position soon after he had made the agreement with Kaohsiung City Government. The agreement between the Ministry of Transportation and Communication and Kaohsiung City Government still holds through, because it is based on long-lasting agency/departmental interests. The examples cited nevertheless illustrate how personal contacts have speeded up the coordination process.

The significance of personal influence also appeared in a different way- the big person's influence on the decision-making process. In spite of the need of policy coordination with a variety of central agencies in the case of KMFCTP, Kaohsiung City Government tended to seek assistance from the Premier instead of individual departments at the central level. For example, there was an unsolved problem with respect to the removal of 205 Military Arsenal managed by the Ministry of National Defense viewed as a 'hard' department with which to negotiate by local planning authorities (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government).

The UDB did not obtain an agreement from the Ministry of National Defense to remove the 205 Military Arsenal until the former Mayor Frank Hsieh (1998-2005) took over the seat of the Premier of the Executive Yuan (2005-2006). During the term of his service, Premier Hsieh paid much attention to the development of Kaohsiung City including the KMFCTP project. Not surprisingly, he indicated his full support for the development of KMFCTP, and once the intention of the Premier was clear, the CEPD no longer expressed reservation about the project and offered its full support in coordination with other central agencies. Since that time, agreement for the removal of 205 Military Arsenal has also been reached (Interview with Senior Officer Chang, of the UDB).

7.6.3 Coordination with local stakeholders

Compared with the other municipality, Taipei, Kaohsiung is relatively still a city with strong characteristics of the traditional society in which informal and spontaneous social institutions are respected (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government). Therefore elite groups

play an important role in local affairs and are seen as major actors in the local planning process.

In order to smooth the development process for KMFCTP, a deliberate strategy adopted by Kaohsiung City Government was to bring elites' voices into the planning process. In negotiations with private land owners, regular breakfast meetings were held and chaired by the Mayor to facilitate negotiations with private landowners. This official form of communication with private stakeholders has been the norm since the administration of the former Mayor, Frank Hsieh (1998-2005). Owing to this frequent form of communication, Kaohsiung City Government did not encounter major difficulties in its negotiations with local community during the plan making process for the KMFCTP project (Interview with Professor Ho).

However, there are many key actors who belong to central government in the case of KMFCTP and, as Professor Ho indicated, it was public stakeholders rather than private landowners who had made policy making more difficult. For instance, Kaohsiung Port Administration belongs to the Ministry of Transportation and Communication; the 205 Military Arsenal is a unit of the Ministry of National Defense and government-owned companies are responsible to the Ministry of Economic Affairs. The example below further demonstrates the gap in coordination between central agencies and the local planning authority. It was given by Professor Ho when interviewed in September, 2006:

'In order to promote the KMFCTP as the regional logistics centre in East Asia, there was a proposal made by Kaohsiung City Government for the establishment of a free trade zone within the KMFCTP. However, this proposal

would have led to conflict with existing taxation process under the supervision of the Ministry of Finance which was worried about the proposal's impact on the traditional taxation system. The proposal was therefore rejected and its rejection reduced the KMFCTP's attraction to investors.'

Local actors belonging to central agencies, i.e. Kaohsiung National Tax Administration under the Ministry of Finance, were concerned about formal administrative procedures and regulations while the local planning authority intended to draw up more innovative proposals for the development KMFCTP. For the City Government, the rejection of the proposal by Kaohsiung National Tax Administration was viewed as a non cooperation by a central government department. Professor Ho complained:

'Central government paid no attention to the City Government's suggestions, therefore, intense argument erupted frequently at meetings between central and local government officers'.

In short, the KMFCTP project was a long-term economic development plan based on local expectations. On the one hand, the local planning authority grasped any opportunity to gain support from the central government. On the other hand, it sought local support during the negotiation process with central government. Good communication between Kaohsiung City Government and local elite groups facilitate relationships with local private stakeholders, whereas conflicts occurred in the coordination process between Kaohsiung City Government and the public actors belonging to central agencies.

7.6.4 Coordination within City Government

As a planning unit within in Kaohsiung City Government, the Urban Development Bureau (UDB) is a driving force of development strategy and planning policy. However, as a secondary organisation under city governmental structure (Figure 7.3), the UDB has found itself unable to address crosscutting issues, such as strategic development planning and the KMFCTP project. As a result of this difficulty, Deputy Chief Engineer Hsu of the UDB suggested that the Deputy Mayor should take over the Director-general of the UDB so that all relevant development plans and planning policy can be coordinated more easily.

In the current system, the UDB is only a subsidiary organisation and its level is equal to that of other departments in the City Government, such as the Economic Affairs Bureau. Accordingly, the success of policy coordination in relation to the KMFCTP project depends on the communicative skill of and relationship between officials in the UDB and the counterparts in other bureaus (Interview with Deputy Chief Engineer Hsu). When there is an unsolved conflict between the UDB and other departments, the UDB will report to the Mayor who will make a decision which resolves the conflict of hand responsibility for resolving it to the Deputy Mayor, the Secretary-General or even the Vice-Secretary-General⁵⁴. Thus, there is no coordination mechanism within the City Government and most coordination work relies on communication and relationship networks between departments.

⁵⁴ The Secretariat is an administrative unit under the Mayor's Office. Its main task is to assist Kaohsiung City Government team to achieve city administration goals.

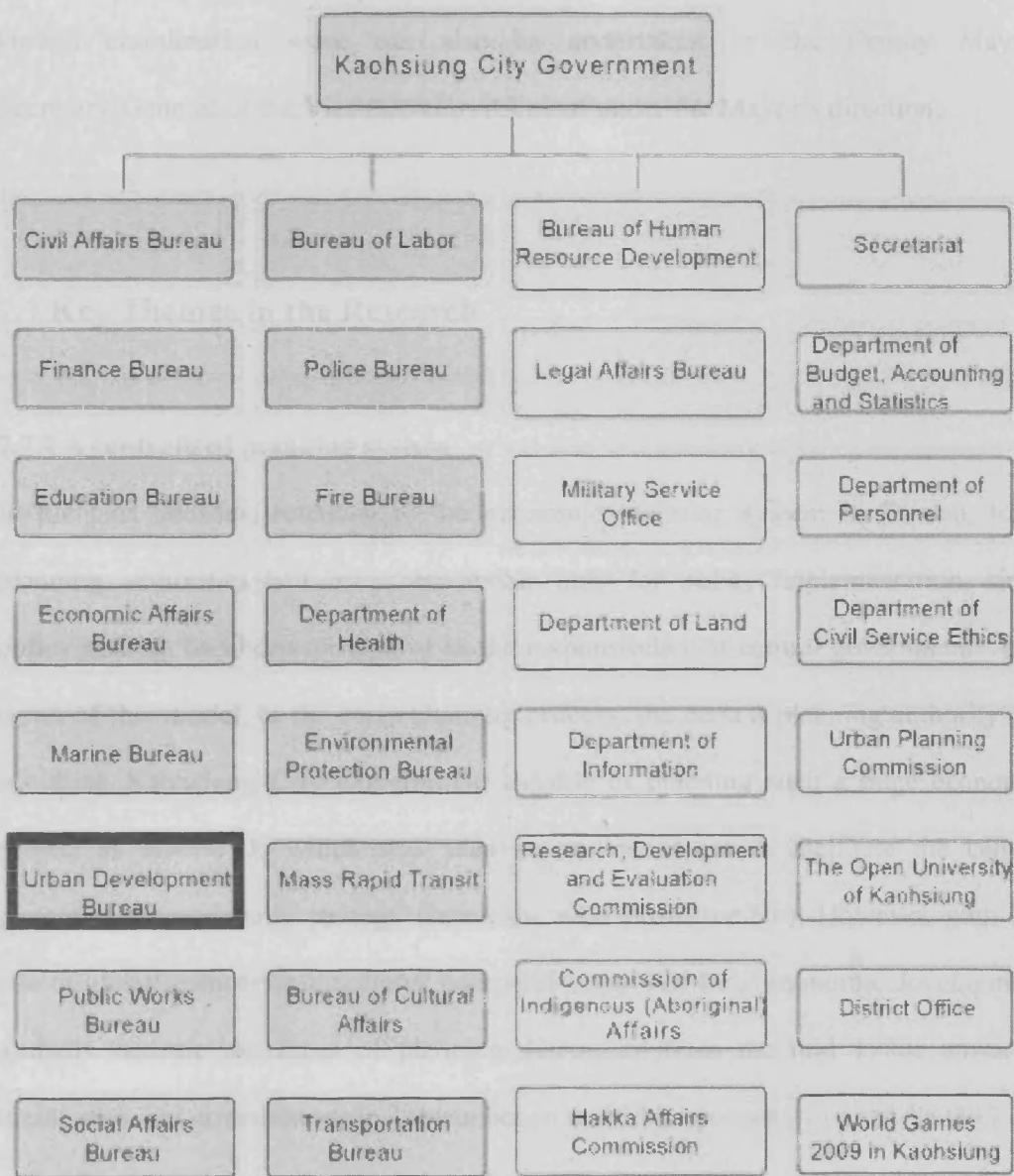


Figure 7.3 Organisational Chart of Kaohsiung City Government

Source: Kaohsiung City Government website, <http://www.kcg.gov.tw/english/>, (not in hierarchical order, accessed 30th Jun 2008)

Therefore, it suggests a formal coordination platform within City Government lacks though coordination work can also be undertaken by the Deputy Mayor, Secretary-General or the Vice-Secretary-General under the Mayor's direction.

7.7 Key Themes in the Research

7.7.1 A centralised planning system

In the past decades, referring to the economic planning system in Taiwan, local planning authorities had been responsible only for policy implementation, since policy making had been thought of as the responsibility of central government. As a result of this model, in the early planning process, the central planning authority did not think Kaohsiung City Government capable of planning such a huge economic project as KMFCTP, which was seen as an instrument to facilitate the central government's economic strategy (Interview with Professor Ho). However, with the rise of global competition, regional competitiveness and local economic development globally became the focus of planning discourses from the mid 1990s onwards, therefore, local governments in Taiwan began to find it necessary to promote the local economy to compete against global rivals.

The making of the KMFCTP project occurred at that time when local planning authority started to get involved in economic development plan making. However, at the same time, the central planning authority still viewed economic planning as its responsibility only. Referring to the developmental state strategy (see Section 3.6.1), economic development projects were used by the central government as an instrument to boost national economic performance. It was thus inevitably that the KMFCTP

project would be neglected by the CEPD for years since, unlike the previous two case studies, the science park projects were drawn by the NSC, a significant central agency. The KMFCTP project proposed by Kaohsiung City Government was thought of as an ‘impractical project’ based on exaggerated local optimism (see Section 7.4).

Under such circumstances, even the CPA, a central agency superior to the UDB, seemed not to have played a big role in land use planning, partly because of the status of Kaohsiung city as a Municipality directly under the Executive Yuan had led to benefits in the coordination process with other central Ministries due to the fact that the Mayor of Kaohsiung City is at the same hierarchical position as central government Ministers and can attend the Executive Yuan Council where he can present local opinions and planning thoughts from the local authority (Interviews with Senior Officers Hsueh and Chang of the UDB).

The study findings suggest Kaohsiung City Government did not face challenges from the central land use planning agency, CPA during the plan making process for the KMFCTP project. As Deputy Chief Engineer Hsu of the UDB said:

‘Regarding this project, the CPA could not have its says until the Executive Yuan approved KMFCTP. Therefore, the CPA could only agree with the KMFCTP District Plan we submitted, since its superior, the Executive Yuan, had already supported this project.’

However, this was not the case in negotiations with the central economic planning agencies, i.e. the MOEA and the CEPD. To the local planning authority, the CEPD was hesitant to offer assistance. Section 7.3.2 has shown the CEPD’s hesitancy

towards the project, since it viewed it as a local economic project, and this delayed the policy making process. The cautious attitude of the CEPD is also seen as the difficulties for the development of the KMFCTP in the early phase.

However, the KMFCTP project suddenly gained the attention of the central government when the former Mayor of Kaohsiung City, Frank Hsieh took over the Premiership of the Executive Yuan, and as a UDB official pointed out, from that time onwards, the CEPD was happy to assist the KMFCTP project (Interview with Senior Officer Chang, the UDB).

7.7.2 Significance of the personal factor in the planning process

During the plan making process lasting years, there were so many difficulties encountered by the local planning authority due to conflict between Kaohsiung City Government and central agencies. The study findings suggest the personal factor played a significant role in the coordination work during the plan making process for the KMFCTP project. It is worth noting that the personal relationship network can be very helpful in the policy making process. Deputy Chief Engineer Hsu, UDB, Kaohsiung City Government, explained:

'To be frank, most planning officers whether at the central or local, know each other because many of them were classmates or college mates at the same planning schools or universities. We maintain very good relationships with each other despite different departmental interests'.

Deputy Chief Engineer Hsu's comments imply there was already a solid personal relationship network behind the formal planning system.

Not only planning officers used their personal networks but politicians also endeavoured to take advantages of theirs to promote policy coordination in the planning process. As mentioned in Section 7.4.1, Mayor Wu's strategy was to bring the KMFCTP issue to the central government's attention and therefore sought to gain President Lee's support at the meeting which took place some months before the 1998 Kaohsiung City Mayoral Election. The 'big person' factor was apparently effective in this case because President Lee's endorsement of the KMFCTP project facilitated policy coordination between Kaohsiung City Government and the central government (Interview with Deputy Chief Engineer Hsu, the UDB). Due to the President's support, Kaohsiung City Government was able to negotiate with central agencies with respect to several tough issues, including the issue of the 205 Military Arsenal. This issue was, however, put aside for a time after Mayor Wu's defeat in the 1998 mayoral election and not resolved until Mayor Frank Hsieh became Premier of the Executive Yuan in 2003. The aforementioned shows that it really was the personal factor which facilitated policy coordination.

Moreover, as a result of Mayor Wu's personal relationship with the Chairperson of the CEPD, Dr. Pin-Kung Chiang, a powerful man in the Cabinet, policy coordination was facilitated through telephone calls or informal meetings (Interview with Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government).

In addition, the foregoing points to the Mayor's wish to play a main role in internal coordination within City Government. Mayor Wu had called a weekly coordination meeting with relevant departments under the City Government to discuss the development process of the KMFCTP project. Unfortunately, despite these meetings,

progress of the development was still slow due to lack of support from the central government (Interview with Professor Ho). Subsequently, unlike Mayor Wu who paid close attention to every planning detail of the KMFCTP, his successor, Mayor Hsieh, was not interested in every minor detail and concentrated on the strategic dimensions of the development plan. Therefore, the Deputy Mayor, Secretary-General and Vice-Secretary-General took on policy coordination responsibilities during his mayorship

As a result of the significance of the personal factor, the change in Mayor affected KMFCTP policy. It not only led to different planning concepts but also the model of implementation undertaken. For instance, the first two Mayors, Mr. Wu and Mr. Hsieh, focused on industrial development, whilst their successors, Mr. Chen and Ms. Yeh, paid more attention to urban design (Interview with Deputy Chief Engineer Hsu of the UDB).

In spite of such difference, in general, the main goal has not changed, although with change of Mayor, prioritisation of work has differed (Interview with Senior Officer Chang of the UDB). This implies there has always been still a solid mechanism which has kept the policy on track.

7.7.3 Political concerns within central government and local government's strategy in plan making

As mentioned in previous sections, the central government's disregard of the significance of KMFCTP resulted from the developmental state strategy adopted by the Taiwanese government over decades (Section 3.6.1) in which economic planning is thought to be the sole responsibility of the central government. Although the CEPD

contended that its hesitancy towards the KMFCTP project was based on the over optimistic expectations of the project, this study shows that there was a huge difference between the local and central government with respect to the developmental concerns during the plan making process for the KMFCTP project.

In fact, even agencies at the central government level had had conflicting views of the natural development strategy over previous decades (Interview with Senior Officer Chang of the UDB). Therefore, the conflicting views at the central government level may have affected the support for this project. For example, the divergent opinions on the China Policy led to a difference in attitude between the Mainland Affairs Council and the CEPD regarding Taiwan's relationship with China. While the former has hesitated to lift the ban on direct trade with China, the CEPD has promoted the setting up of Taiwan as a logistic centre in East Asia but without direct trade between Taiwan and China, this strategy is likely to be unsuccessful. At least two interviewees (Senior Officer Chang of the UDB and Deputy Chief Engineer Hsu of the UDB) indicated that the restriction on trade with China made central agencies hesitant in supporting the KMFCTP project, nevertheless, without free trade, the KMFCTP project is viewed as unrealistic and too ambitious.

In addition, while political concerns at the state level focused on national strategic development, the local planning authority viewed the KMFCTP project as a tool to facilitate local interests. Professor Ho, ex-Vice-Secretary-General of Kaohsiung City Government, said:

'In my opinion, KMFCTP is a beautiful wrapping paper covering a redevelopment plan. When industries in Kaohsiung City were affected by the

programme. Through this linkage, Kaohsiung City Government obtained central government agencies' assistance and a large area of developmental land owned by government-owned corporations. Section 7.5.2 indicated that in the case of KMFCTP, Kaohsiung City Government gained enormous financial benefits and enhanced planning power from the high land return percentage. The situation gives rise to several questions: *'How did the City government gain so much and why did the central government allow it to do so?'*

Both questions can be answered through an understanding of the social milieu existing at that time. The strategy used by Kaohsiung City Government was embedded in a unique social context: an anti-central government sentiment and anti-business culture existed at that time. In such circumstance, the local planning authority was expected to promote local economic development to meet the high expectations of the local community. Kaohsiung City Government therefore used high local expectations to force the central government agree to land acquisition and hand over planning power to the local planning authority. As a result of such successful bargaining process, the pressure on Kaohsiung City Government from local community was removed (see Section 7.5.2).

As mentioned in Section 7.6.3, in the case of the KMFCTP project, communication with local interest groups was unusually relatively easy because Kaohsiung City citizens were convinced the City Government was actually promoting local economic development. When the City Government encountered difficulties in the negotiations with central agencies, local interest groups supported the local planning authority. Professor Ho described the influence of the social milieu on the plan making process for the KMFCTP project as follows:

'Under such circumstances, in the policy coordination process, Kaohsiung City Government was always very active, whereas central government agencies were always slow to react. In my view, this was due to pressure from the city's citizens resulting from discontentedness with poor economic performance and previous unfair treatment by the central government. Unlike other cities, Kaohsiung City citizens are known for being candid and straight, and not afraid to express their views. This affected the plan making process.'

As a result of the social context, the strategy of emphasising the KMFCTP project as a solution to unequal regional development adopted by Kaohsiung City Government was therefore effective. Consequently, the combination of economic depression, expected economic benefits from future economic development in Southern Taiwan and disparity between regional development in the north and south of Taiwan forced the central government to take note of the situation as indicated by Professor Ho:

'Growing disparity between the north and south and difficulties in the coordination process between central and local governments forced the central government to pay attention to the social and economic differences between north and south Taiwan. Mayor Wu of Kaohsiung City Government suggested the Executive Yuan should set up a South Taiwan Office of the Executive Yuan in Kaohsiung to make the central government more aware of the concerns and needs of citizens in Southern Taiwan.'

The proposed South Taiwan Office of the Executive Yuan was set up within a few years. The study findings suggest Kaohsiung City Government's strategy to

emphasise the local context in its bargaining with the central government was successful. The establishment of the KMFCTP and the setting up of the South Taiwan Office of the Executive Yuan confirm the effectiveness of the strategy adopted by Kaohsiung City Government.

7.8 Conclusion

Unlike the previous case studies, the KMFCTP project emerged as the result of a 'bottom-up' plan making process. Moreover, under the developmental state strategy, the project initially received scant attention from the central government when it was first drawn up in the early 1990s because it was a plan made by a local planning authority. Due to its special planning context, the KMFCTP case provides another perspective from which to investigate the relationship between the economic planning sector and land use planning sector.

Particularly noticeable was the indifferent attitude of the central planning authorities. As a project promoted by the local planning authority, the KMFCTP had been seen by central government as an impractical proposal based on an over optimistic expectation (see Section 7.3.2). The indifference of the central government to the KMFCTP project implies the concept of centralised planning based on the developmental state strategy adopted by the Taiwanese government over decades (see Section 3.6.1) was still influential in economic development plan making. The central government's disregard of the KMFCTP project made inter-sectoral coordination at the state level more difficult, especially when it involved non-economic and non-planning agencies (e.g. the Ministry of National Defense). The situation did not improve much, even

after the KMFCTP project had been included in the APROC programme in the mid 1990s.

The turning point for the KMFCTP to obtain full support from central government was President Lee's endorsement of the project before the 1998 Kaohsiung Mayor Election and former Mayor Hsieh's appointment as Premier of the Executive Yuan. The latter in particular made the central planning authorities pay attention to the KMFCTP project and his influence helped to resolve many tough challenges that the local planning authority had faced for years, e.g. the removal of the 205 Military Arsenal (Section 7.6.2). It is therefore argued that the influence of a 'big person' is a significant factor in the policy coordination process.

At the same time, the case of KMFCTP also suggests the personal network provided a platform for policy coordination. From the routine communication between central and local governments, i.e. the personal friendship between Mayor Wu and Chairperson Chiang of the CEPD, to the occasional coordination, i.e. that between Deputy Chief Engineer Hsu and Vice Administrative Minister Mao that facilitated the extension to the T88 highway, the informal personal network has played a decisive factor in policy making, affirming the importance of the personal factor in policy coordination in relation to planning in Taiwan.

Finally, it is worth noting that there seems to be little evidence to suggest the institutional change in 1999/2000 had a direct impact on the KMFCTP project. Although the appointment of Mayor Hsieh as Premier of the Executive Yuan as a

result of the DPP's victory in the Presidential Election in 2000⁵⁵ appears to have helped to raise the profile of the KMFCTP project in the central government's priorities, unlike the first two cases, the shift in central political power appears not to have had a direct impact on the operation of policy coordination in this case. Further discussions on how institutional change has affected the operation of policy coordination in the three cases will be presented in the next chapters.

⁵⁵ Mayor Hsieh belongs to the ruling party, DPP.

Chapter Eight Overview of Study Findings and Implications

This chapter presents a brief overview of the findings generated from the three case studies analysed in this thesis in respect of the operation of policy coordination in relation to land use planning; changes in planning institutions over the last decade due to the movement towards democratisation; and the importance of informal institutional elements in policy coordination. Findings in relation to these three dimensions will help to answer the research questions set out in Chapter Four.

8.1 The Operation of Policy Coordination in Relation to Land Use Planning

8.1.1 Cross-sectoral coordination at the central level

As mentioned in Chapter Three, there are many departments in the Council for Economic Planning and Development (CEPD) and they have various responsibilities ranging from sectoral planning to urban development. It is the Department of Urban and Housing Development under the CEPD which addresses policy in relation to land use planning. After receiving planning proposals, the Department of Urban and Housing Development coordinates with relevant departments within the CEPD for professional knowledge. For example, the Department of Sectoral Planning can offer advice on industrial development. It is worth noting that the term 'sectoral planning' in Taiwan refers to planning relating to individual industries, e.g. the electronic industry, the automobile industry, rather than planning for an individual sector, e.g.

transport planning, environmental planning as in the UK. Thus, in Taiwan, the Department of Sectoral Planning of the CEPD is in charge of planning industrial policy.

If consensus cannot be reached between Ministries, for instance the conflict between Kaohsiung City Government and the Ministry of Economic Affairs regarding the removal of many government-owned corporations in the case of Kaohsiung Multi-Functional Commerce and Trade Park (KMFCTP) (see Section 7.5.2), the issue will be discussed at the CEPD Council Meeting attended by Ministers. Senior Specialist Liao of the Department of Urban and Housing Development under the CEPD described the coordination process with regard to the case of Tainan Science Park (TSP) (see Section 5.42) in detail as follows:

'Almost all Ministries related to the project will express their opinions at the coordination meeting and not only offer technical suggestions but also request amendments to the project. The process described above is the preparation work which is directed by Vice-Chairpersons of the CEPD, and those in attendance at such meetings are usually Section Chiefs of Departments. Once agreement has been reached, the project will be presented to the Council Meeting, a very significant meeting, which relevant Ministers of the Executive Yuan will attend in order to reach a final decision on the project proposal. The decision of Council Meeting, whatever positive or negative, will then be reported to the Executive Yuan, which will inform the applicant of the decision reached. In the case of Tainan Science Park, the applicant was the NSC and once it had received planning permission, it started detailed plan making. This is the formal mechanism at the central government level for policy

coordination.'

Normally, most policy coordination at the central level is generated by the process described above, though there have been cases where the proposals were rejected during after discussions during the CEPD Council Meeting. However, according to Liao, it is worth noting that the final decision is still made by the Premier of Executive Yuan, not the CEPD (Interview with Senior Specialist Liao of the CEPD) and Liao's comments were confirmed in the case studies of this thesis (see Sections 5.4.2 and 7.5.2).

With regard to sectoral planning policy, the CEPD will sometimes offer suggestions to the relevant authorities in charge of planning at the central level, if it finds specific economic planning or land use planning is inactive or controversial, e.g. problems relating to the KMFCTP project (see Section 7.3.2). However, as a consultant unit, the CEPD is like a think-tank which deals with planning and assessing policy sent from different Ministries. Compared to major Ministries, e.g. the MOEA and MOI, the CEPD is a very small organisation with few personnel and resources because it is not in charge of policy implementation and is only responsible for policy making and coordination (Interview with Senior Specialist Liao of the CEPD).

Further, at the upper level, due to respect for the CEPD's authority, normally the Premier and Vice-Premier do not intervene in the policy making process until the suggestions presented at the Council Meeting are submitted to the Executive Yuan. Accordingly, this suggests most policy coordination at the central level is completed in the CEPD and then the Premier makes a final decision, which is then delivered to the relevant Ministries for implementation.

8.1.2 Criticisms of the current regional planning mechanism

As mentioned in Section 3.6, there have been many criticisms about the current regional planning mechanism and this study confirmed the lack of coordination between plan making at the regional level. Unfortunately this study underlines the disability of regional plans in the issues about coordination.

Interviewees in this research admitted to the weakness of the existing regional planning mechanism and agreed it is a pity that regional plans today do not play a stronger role in planning integration (Interviews with Senior Specialist Liao, the CEPD and Professor Lin, National Taiwan University). Senior Specialist Liao suggested that this situation might be partly due to a lack of awareness of the significance of regional identity in the planning discourse. Moreover, as a result of the lack of a coordinative strategy, regional plans have not offered industries a clear direction as to future development in each area within a region, which is thought to be their main function.

The lack of an integrated strategy for regional development leads to uncoordinated plan making at the regional level even though regional plans are the highest statutory plans in the existing planning system. The shortage of the coordinative function has therefore made regional planning more divergent and fragmented. Hence, as Senior Specialist Liao contended, *'as a blue print plan, the regional plan is a very disappointing case.'*

In addition, according to the 'Regional Planning Act', a regional plan should be drawn up with a development strategy and spatial planning in mind, to enable it to offer a

direction for local development. However, currently, in contrast, all regional plans have been amended after the development of certain developmental projects, e.g. the TSP and CTSP, and even conflict with policy directions in existing regional plans (Interview with Professor Lin, National Taiwan University). In other words, regional development has not been led by a developmental strategy; rather, regional plans have frequently been revised to match the existing facts. For instance, in the case of the development of both the Southern Taiwan Science Park (STSP) and Central Taiwan Science Park (CTSP), amendments to the regional plans were made after approval of these projects. It is therefore inevitable that the validity and reliability of regional plans are called into question.

In order to resolve current problems with regional plans, Dr. Chen, Member of the Regional Planning Committee (RPC), suggests local planning authorities should be given the responsibility of implementing regional plans and central government should be given the duty of making the planning framework. The existing system empowers sectoral planning authorities to deliver sectoral plans (see Section 3.4.1 and Figure 3.6), as a result, a discord between horizontal planning (sectoral authorities) and vertical planning (local planning authorities) is clearly seen. The three cases in this thesis illustrate the lack of coordination between the land use planning sector and economic planning sector (see Sections 5.6.2, 6.6.3 and 7.6.3). The existing sectoral planning system has led to divergent regional planning and a fragmented planning policy. In addition, the lack of integration between vertical and horizontal planning has made policy coordination more difficult (see the dispute concerning the water supply report for the KSP in Section 6.6.2).

With reference to the cases of TSP and KSP, Dr. Chen, RPC Member, argued that the

lack of a regional planning authority might be the cause of un-coordinative planning at the regional level and also contended that it be better if local authorities take over planning implementation since they are local administrations and are most familiar with local needs. Dr. Chen's suggestions would, in fact, appear to be happening, since this thesis found local planning authorities taking over works in relation to regional planning, facilitating communication with economic planning bodies on behalf of the CEPD and NSC, and directly negotiating with central agencies, for instance, Kaohsiung County Government's negotiation with the Ministry of Transportation and Communication in the bid for the National Telecom Technology Centre (see Section 6.4.1).

8.1.3 The significance of the Regional Planning Committee (RPC) in policy coordination

Regional planning appears to be dysfunctional due to the lack of a regional planning authority and partly because of the neglect of the strategic dimension in regional plans. As a result, there does not appear to be any joined-up thinking or integrated action, thus planning coordination at the regional level is virtually non-existent. Under this circumstance, a question emerges with respect to the role of RPC: if regional plans are not effective, how is the central planning authority in charge of regional planning (RPC) fulfilling its responsibility now?

The research found the main function of the RPC is to grant 'planning permission'. Dr. Chen, Member of the RPC, stated: *'you could say the whole planning review and consultation mechanism is simply management of planning permission'*. Based on the planning system, the need for planning permission applies not only to developments promoted by the public sector, e.g. science parks and industrial parks (see the review

and approval process for TSP and KSP in Sections 5.5.3 and 6.6.2), but also developments run by the private sector e.g. theme parks and housing.

Developers are required to submit applications to the RPC for their developmental projects, including land use plans. A problem therefore emerges from the conflict between the non-statutory National Comprehensive Development Plan (NCDP) and the adoption of the zoning planning system. For instance, zoning applications do not necessarily have to confirm to guidance shown in the NCDP, yet must satisfy zoning regulations requirements. A gap thus appears between the non-binding NCDP and the legalised planning regulations. To resolve the gap, zoning applications will be reviewed and discussed by RPC members before receiving approval from the RPC. This is the function of the planning permission model (Interview with Dr. Chen, RPC Member, September 2006).

In other words, due to the lack of a regional planning authority, the RPC plays the role of gatekeeper for planning applications in relation to regional planning. However, members of the RPC are selected from different fields and inevitably pay more attention to those issues connected with their field of professional interest. For instance, members with an environmental protection background usually insist that applications meet high environmental requirements, even though there is the EIA (Environmental Impact Assessment) procedure through which all applications for development are examined. The research found the diverse backgrounds of RPC members usually led to endless discussions, making it difficult to come to a final conclusion (Interview with Section Chief Hsu of Kaohsiung County Government). The diverse backgrounds of RPC members also resulted in inconsistent standards for the plan review and approval process as occurred in the case of the water supply

report for the KSP District Plan (see Section 6.6.2).

8.2 Planning Institutions in Transition due to the Institutional Change

8.2.1 The CEPD's weakened role after institutional change

The CEPD has been seen as one of the 'smoothing mechanisms' over past decades. It is said, inside governmental bureaucracy, that smoothing mechanisms are in place to facilitate reciprocity and trust among departments, and between departments and bureaux. The reciprocity and trust in turn provide the foundation for agencies to engage in policy coordination.

At the top of the bureaucracy, the CEPD provides an arena for generating policy coordination within the Executive Yuan. As mentioned in Section 8.1.1, the CEPD Council Meetings are chaired by the Chairperson and attended by major Ministers. Meanwhile CEPD Council Meeting is convened regularly and is the highest-level platform for policy coordination inside the governmental bureaucracy. The Council Meetings mainly provide an arena for discussion and sometimes bargaining between senior officials representing their agencies. In the time of KMT's rule prior to 2000, despite being prevented from making formal decisions, the CEPD's opinions and advice were often viewed as the final words of the Executive Yuan when there were divergent views among Ministries. The Chief Secretary of the CEPD therefore played a dominant role in policy coordination at the central level.

Although this thesis suggests the CEPD is still a significant actor in policy

coordination, in particular at the central level, its declining role in the generation of policy coordination cannot be denied. The CEPD had been viewed as an independent think tank which presented developmental strategies to the Executive Yuan and also the platform from which departmental conflicts were conciliated through coordination meetings. However, recently there have been increasing questions asked about the function of the CEPD, and, given the changing political climate over the past decade, it is contended that the role of the CEPD has diminished. Some even mock the CEPD as 'the second Secretariat' which only deals with general administrative work. In other words, it has lost the significant function of coordination (Chuang, S., 2006, p.116).

The findings of this study provide some systematic evidence about the weakening role of the CEPD in policy coordination which can be attributed to institutional change. The rise of local government as the democratisation movement progressed saw political intervention driven by aggressive local political power and the weakness of the CEPD's response (see Section 6.4.2). In the past, the CEPD could devote itself to policy making without political intervention since governmental operation was authoritarian and local governments were not allowed to participate in national policy making. The CEPD did not need to face local politicians directly and all local requests were reported to the relevant central authorities. However, the CEPD today is usually asked to address many local affairs, thus it is not capable of focusing on strategic policy and coordination which are thought to be its primary functions in the institutional design. *'This change has definitely resulted from the progress of democracy since there has been a rise of local power'*, said Senior Specialist Liao of the CEPD. Liao further described the effect of dealing with local affairs:

'The extra work has cost us much time. The CEPD is happy to assist local government, however, the fact is that due to limited human resources the CEPD is unable to effectively deal with the extra work imposed on us by it. The extra work load has resulted from institutional change when the old administrative order collapsed.'

In order to obtain the assistance of the CEPD, local planning authorities even contact the Premier, who will direct the CEPD to assist local planning authority. Such phenomena became common after the DPP became the ruling power in the 2000 Presidential Election. Due to a shortage of DPP politicians and officers at the central government level (see Section 3.2.2), the DPP administration promoted a number of ex-mayors and ex-magistrates to Ministerships, and even Premiership⁵⁶. *'It is no longer a surprise when a Magistrate is appointed as a new Premier, since the traditional hierarchical bureaucracy has been broken'*, said Liao, Senior Specialist of the CEPD. This fact was demonstrated in the case of KMFCTP when several problems were soon resolved after the ex-Mayor Hsieh was appointed to the Premiership (Section 7.6.2).

While it would seem that the weakness of the CEPD has resulted from the change in ruling party in 2000, some argue there was a series of reasons not a single event which caused weakening role of the CEPD. The CEPD had been gradually weakening before 2000, from, in fact, the latter part of the KMT's rule, from the time of Premier Lien's administration between 1993 and 1997. The CEPD was at that time transformed from a unit for decision making to a think-tank of the Executive Yuan.

⁵⁶ During the DPP's administration, many Premiers appointed by President Chen were Mayors or Magistrates at the local level.

However, the research findings suggest it is also true that the CEPD became far weaker after 2000 (Interviewed with Professor Chou from National Taipei University in September 2006).

When interviewed, Senior Specialist Liao of the CEPD gave a specific example of the weakening role of the CEPD. He referred to the development of Central Taiwan Science Park (CTSP) which led to a controversial decision. In that case, there was a problem with inter-departmental integration and the EIA process. The CTSP Administration had faced difficulties coordinating with other central agencies due to departmentalism and had also encountered internal competition with other science park Administrations under the NSC. The CTSP Administration was eager to promote further expansion, even though the development project did not meet up the CEPD's planning requirement. According to Senior Specialist Liao, when the CEPD tried to facilitate coordination with other Ministries to assist the project to meet its requirements, the CTSP Administration refused this assistance and adopted political intervention to ensure the project was approved (see Section 6.7.3).

For the CEPD, the case of CTSP illustrates its failure to coordinate with the planning authorities. The CTSP Administration itself looked for a solution to the land expansion problem instead of using the coordination platform provided by the CEPD which had been employed over decades. This case shows the fragmentation of plan making at the central level, which was due to departmentalism according to Senior Specialist Liao of the CEPD. Both the NSC and the CEPD had their own thought on the development of CTSP. The NSC did not like the proposal suggested by the CEPD of locating the CTSP's expansion in land provided by the Industrial Development Bureau therefore the CTSP Administration resolved the matter in its own way.

The example illustrated above and findings derived from the three cases appear to confirm the weakening role of the CEPD in policy coordination, although its role in seeking to resolve conflicts between Ministries at the central level cannot be denied.

8.2.2 The rise of the local planning authority's power

In contrast to the declining importance of the CEPD, there was a rise in the local planning authority's power due to the collapse of authoritarianism.

The relationship between central and local government before the late 1990s had been based on authoritarianism in an authoritarian state. As a result of drastic institutional change in the late 1990s, Taiwanese politics has gradually transformed from centralised authoritarianism to election-oriented decision-making (Interview with Professor Chou, National Taipei University). Moreover, the movement towards democratisation not only led to local governments having more authority but also resulted in inconsequent planning policy. When local governance replaced unitary planning political power, due to inconsistent plan making as result of frequent change in leadership, this inevitably led to planning fragmentation. When interviewed, Professor Chou stated, '*the most common problem in local planning is that planning policy has shifted as local leadership has changed, since each politician has his own concerns*'. However, although this research suggests the change of leadership may well have affected local planning policy in practice, the primary direction in general has been kept thanks to a solid bureaucratic culture (see Sections 5.7.4, 6.7.4 and 7.6.4).

Another significant change in institutional design was the streamlining of the Taiwan

Provincial Government in 1999. In the past, central government had full control over local politics through the distribution of developmental gains. However, the removal of the Provincial Government in 1999 left a vacuum in political power because the middle administrative level had been removed. Accordingly, local governments replaced the Provincial Government as new powers and can compete with the two municipalities of Taipei and Kaohsiung City and also bargain with the central government. Prior to 1999, they were under the Provincial Government and municipalities and could not bargain of their own accord (Interview with Professor Chou, National Taipei University). For example, the 'floating zoning' in the case of TSP (see Section 5.5.3) and the competition to bid to be the location for the National Telecom Technology Centre in the case of KSP (Section 6.4.1) showed local governments' capacity to bargain with the central government. Previously, both of these would have been dealt with by the Provincial Government. The vacuum in political power at the middle level has also seen the rise in power of the local planning authority.

The impact resulting from the rise of local power has been a fragmented plan making process. No matter what problems are encountered, the local planning authorities always request assistance from the CEPD to resolve them. In fact, most problems could be resolved by local planning authorities themselves. Senior Specialist Liao of the CEPD complained:

'The CEPD has taken on too many responsibilities dealing with local issues instead of national development strategy. The CEPD should devote its energies to national strategic policy rather than problem resolution at the local level. The local planning authorities should take more responsibility for local

planning affairs.'

As a result of the rise in their power, local planning authorities have also influenced decision-making made by the central government. In response to local requests to speed up the plan making process at the central level, there has been a noticeable change called 'parallel supervision', in the planning process recently. In the past, planning supervision had been a linear process since one step would not commence until the previous one had been completed. However, in 'parallel supervision' every relevant authority can embark on several different stages in the plan review process at the same time. In addition, a development project would not have been discussed by the RPC until it had received approval from the EIA in linear planning process. This is no longer the case in planning supervision today. It is argued that such significant change in the planning process will shorten the time taken in the plan review stage and lead to economic competitiveness (Interview with Senior Specialist Liao of the CEPD).

Thus, institutional change over the last decade has affected policy making including planning process. That is to say, democratisation has led to the rise of local power and the rise of local power has led to more political intervention (see the political intervention in the case of KSP in Section 6.7.3).

8.2.3 The increasing significance of the RPC

Since the streamlining of the Taiwan Provincial Government in 1999, there is no longer a planning authority at the regional level. The findings from the case studies indicate that planning control for all non-urban areas which was supervised by the Provincial Government prior to 1999 became the responsibility of the Regional

Planning Committee (RPC). Similarly, the Urban Planning Committee (UPC) of the CPA has taken over urban planning affairs managed by Taiwan Provincial Government before 1999. In the current planning system, from land use planning in national parks to riverside development, once developmental areas are over 10 hectares, it is the RPC's job to review and approve them (Interview with Dr. Chen, RPC Member).

Intense competition between local planning authorities for limited resources is another phenomenon which has emerged from the rise of local government power and illustrates the lack of coordinated regional planning (see the competition between Kaohsiung County and Taoyuan County to become the location for the National Telecom Technology Centre in Section 6.4.1). This competition showed planning in Taiwan faces challenges not only from vertical but also from horizontal dimension. Professor Chou from the National Taipei University also confirmed such challenges.

Moreover, as a member of RPC, Dr. Chen expressed his opinion on the role of RPC in the rise of local authority power as follows:

'I do not deny the significance of local participation in the plan making process. However, since a new development plan inevitably results in winners and losers, local interests must be coordinated in order to resolve conflicts. In such circumstance, we cannot meet the needs of all. Thus, as members of the RPC, we need to weigh various concerns carefully and keep a balance between local interests. Top-down decision-making is most effective for integrating public interests.'

It is inevitable that more conflicts between local governments will occur due to the rise of local planning power competing for limited resources. Such increase in competition and conflicts makes the role of the RPC even more important since there is no regional planning authority in Taiwanese planning system to coordinate development at the regional level.

8.3 The Importance of the Informal Institutional Elements

8.3.1 The legacy of developmental state planning

In previous decades, it had been the CEPD which had drawn up the national development strategy and played a dominant role in the planning process at the central level. A typical development plan made by the CEPD at that time was the National Economic Development Plan. Based on developmental state planning strategy, the CEPD released the National Comprehensive Development Plan in 1996. These two significant plans illustrate the importance of the CEPD at that time.

Despite the CEPD's domination in economic planning, it is worth noting the role of the National Science Council (NSC) in the plan making process for science park projects. The study findings suggest it is the NSC's duty to put forward development proposal for science parks and present them to the Executive Yuan, which will then pass the proposals to the CEPD for policy appraisal (Section 5.4.2). Representatives from relevant Ministries and the local planning authority will then be invited to attend coordination meetings convened by the CEPD (Interview with Senior Specialist Liao of the CEPD).

Professor Chou, National Taipei University, commented that the policy making process for science parks is a legacy of the developmental state strategy, in which the central government is dominant in the plan-making process. Since the promotion of science parks has become the priority policy for economic development, there has been a coalition formed between central government, local governments, investors and Science Park Administrations in Taiwan (see Sections 5.3.2 and 6.3.2), which has made such development more efficient and effective.

This phenomenon has resulted from the inherited development-orientation strategy which believes economic growth is the primary concern of government, and it should devote its efforts to promoting it even through an authoritative mechanism (Section 3.6.1). Taiwan has been eager to find a position in the global economy hence central government has adopted the electronic industry as the strategic industry for economic development. The cases of TSP and KSP show that local governments have embraced science parks enthusiastically, since such development meet everyone's need, i.e. they bring economic benefits and generate confidence in the local economy. Land acquisition was always thought to be the toughest problem for the development of industrial parks in Taiwan, however, the study findings suggest that due to the high expectations of local citizens, this is not the case for the development of science parks (see Chapters Five and Six).

In addition, Senior Specialist Liao admitted that economic development planning takes precedence over land use planning:

'It cannot be denied there might occasionally be a need for fast development in some circumstances where development is the priority for government. In such

situation, economic development will be fully supported, even at the cost of land use planning. This is indeed the difficulty for land use planning authorities in Taiwan, economic development has always been the main concern.'

Accordingly, this study argues that in spite of the increasing weakness of the CEPD, the legacy of the developmental state strategy still remains. As a result of this inheritance, economic development planning is not only given priority but a centralised planning system dominated by the central government still exists in Taiwan (see Section 7.7.1).

8.3.2 The role of the 'big person' in planning

Section 3.2 demonstrated the historically significant influence of personal factors embedded in traditional culture. Through the case study approach, the importance of personal factors in Taiwanese planning was proved in every single case.

As mentioned in Chapter Two, there are at least two aspects of institution which need to be taken into account: the formal aspects, e.g. legislation and hierarchy, and the informal aspects, e.g. cultural context and political contingency. Such consideration also applies to Taiwan's planning system as pointed out by Professor Chou from the National Taipei University:

'Both aspects are included in neo-institutionalism which recognises individual behaviour does matter in the discourse of the institution. It is important to note the impact of unofficial factors on the institution and this can be found especially in the horizontal network in Taiwan.'

In the case studies, the impact of the personal factor first appears with the influence of the 'big person'. In the case of KMFCT, there were many examples where powerful politicians played a role in policy coordination for the KMFCTP project (Section 7.6.2). A similar circumstance can be found in the case of Kaohsiung Science Park (KSP), in which there was a powerful person, the current Speaker Wang (KMT) of the Legislative Yuan who lobbied for the Lujhu site since Lujhu is his constituency. Commenting on this, Professor Chou from National Taipei University stated:

'Without Wang, I do not think Lujhu would have had another opportunity to bid for selection as a science park and eventually be approved as Kaohsiung Science Park.'

Not only politicians have an influence on the planning process, persons from big business can also have an influence. In the case of TSP, two well-known business persons complained in the mass media about the flooding problem in the park. As a result of these complaints, the central government immediately found a solution to the problem (Section 5.7.1). RPC members can also be influential in the plan review and approval process. RPC members have their own viewpoints based on their professional background (Section 6.6.2). Nevertheless, it is noticeable that the central government sometimes shows its dominant attitude in relation to specific issues, e.g. it forced RPC members to approve the plan for CTSP in which the influence of powerful business persons could also be seen. A RPC member, Dr. Chen, explained:

'Whereas specific outcome has been decided in advance, there will not be any coordination in such kind of case. Moreover, members will be exposed to strong political pressure. I suppose some members might be influenced in such

circumstances.'

These cases above demonstrate the importance of the 'big person' factor and show how this factor affected policy decision-making. The study findings therefore confirm the influence of 'rule of human' culture (see Section 3.2.2) on policy coordination process.

8.3.3 The significant personal network behind the formal administrative framework

A strong personal factor is not always negative. Although the research findings suggest institutional change in the last decade has affected policy making, the findings also suggest that the primary planning policy has been kept on track.

Due to its very weak control of the Legislative Yuan in Taiwan, there were six DPP Premiers in the eight years 200-2008. Each new Premier inevitably introduced his own policy manifesto, however, due to a solid bureaucracy, most policies remained unchanged in spite of a change in leadership. As Senior Specialist Liao stated, *'...many "new" policies are in fact old ones packed with some amendments. Therefore, the spirit of the old policies still exists.'*

His words were supported in the three cases where officials tended to hold to the main direction through the solid network within bureaucracy (Sections 5.7.4, 6.7.4, and 7.6.4). Inevitably, there might be some slight difference as a result of the change of leadership, but staffs and assistants making policy will attempt to put the old policy into a new 'bottle' hence it will remain essentially the same in spite of a different name. As result of the solid personal network, the impact of the governmental shift in

2000 on policy coordination was minimised. In addition, with regard to policy coordination, the informal personal network has played a significant role.

As illustrated in the case of KMFCT, there are several ways in which the personal network can help coordination, for example, information exchange, conflict resolution, coordinated action (see Section 7.6.1). There is much evidence in the three cases to prove the significance of the personal network (see Sections 5.7.4, 6.7.4 and 7.6.2). It is believed the solid personal network is founded on the philosophy of Confucianism which emphasises harmony in personal relationships (see Section 3.2.2). While the cultural context has given the 'rule of human' (Section 3.2.2), it has also contributed to the stable personal network which appears in the governmental structure as a strong bureaucracy. This thesis therefore concludes that the interaction between policy-making participants within institutions deeply depends on personal relationships and determines whether the planning process goes smoothly or not.

Chapter Nine Conclusions

This chapter provides direct answers to the research questions established in Chapter Four. Based on the literature review in Chapters Two and Three and research findings generated from three cases, Section 9.2 will suggest four research conclusions which link the case study material to the earlier conceptual material that structured the thesis. Some suggestions for further research will be indicated in Section 9.3 and it is argued that these points are especially helpful for studies of planning processes in Chinese-culture societies.

9.1 Answers to the Research Questions

9.1.1 Taiwanese planning institutions in transition

With reference to the question: *'How does coordination operate within the planning system for economic project planning*, the research findings found cross-sectoral coordination at the central level still relies on the coordination meeting held by the CEPD which has been used as a platform for inter-ministry negotiation over decades. At the local level, local planning authorities have taken over most coordination work, even communication with the central economic planning authorities (see Sections 6.4.1 and 7.6.3). The thesis also reveals the increasingly significant role of the RPC in planning coordination. The RPC's importance in regional planning affairs is seen in the TSP and KSP cases (see Sections 5.5 and 6.5).

Although some argue that the role of the CEPD had gradually been weakening before

2000, the cases in the thesis suggest institutional change in the late 1990s has made political intervention more frequent, and this has led to the weakened role of the CEPD. As regards the question: *'How have the roles changed in the planning sector, given institutional change?'*, findings from the TSP and KSP cases suggest the CEPD's weakness was exacerbated by the rise of local planning authorities' power, which resulted from the movement towards democratisation, in particular, the regime shift in 2000 (see Sections 5.5.3 and 6.7.3). Although there is no clear evidence of a change in roles in the planning sector in the third case, the KMFCTP project, nevertheless, the benefit gained from ex-Mayor Hsieh's Premiership, i.e. full support from the central planning agencies, was apparent and reflects Senior Specialist of the CEPD Liao's concern about the rapid promotion of local leadership to the central government (see Section 8.2.1).

After the streamlining of the Taiwan Provincial Government in 1999, regional planning affairs transferred to the responsibility of the RPC of the CPA. The case studies of TSP and KSP indicated that the RPC is increasingly becoming a key actor because of the necessity of the RPC's approval for regional planning activities (see Sections 5.5.3 and 6.6.2). As a result of the changes illustrated above, this thesis contends that the institutional change in the late 1990s has impacted on the relationship between actors and the way in which coordination is conducted in the policy making process.

9.1.2 The interaction and operation in policy coordination

The thesis also suggests that findings in relation to the other two research questions: *'What is the interaction between policy participants among and within institutions and how does it affect policy outcome?'* and *'After the significant institutional*

changes in the late 1990s, has there been any change in bureaucratic operation in relation to coordination then and now?' show that these two questions are in fact related to each other. All three cases presented showed that the interactions between actors among and within institutions are highly dependent on informal networks. While the case of KSP demonstrated the significance of personal networks based on informal communication between planners (Section 6.7.4), the TSP and KMFCTP cases showed that the informal network can be based in friendship, even extending as far back as early school days (Sections 5.5.3 and 7.6.2). Moreover, the issue of the extension to the T88 highway in the case of KMFCTP revealed that in spite of the formal administrative framework, the personal network showed its effectiveness in policy coordination (section 7.6.2). The importance of the informal personal network became apparent since a formal mechanism for policy coordination was lacking. For instance, the lack of solid personal networks between Kaohsiung County Government and the Water Resource Agency made inter-agency communication more difficult and affected the policy coordination process in relation to the water supply report for the KSP District Plan (Section 6.7.4).

The personal network is frequently found in government bureaucracy because many policy makers know each other and many of the relationships are between senior or junior graduates from the same university (Section 7.7.2). Owing to the solid network within the bureaucratic system, the impact of the change of leadership was reduced and the thesis therefore found the main policy direction was maintained by planners (see Sections 5.7.4 and 7.7.2), although the character of the leadership did indeed influence the way that policy coordination was conducted, for instance, the difference between Magistrate Chen and Magistrate Su in the case of TSP (Section 5.7.4).

With regard to the change of ruling power, the solid network also minimised the impact of the institutional change. Although it cannot be denied the DPP administration affected the relationship between actors and the operation of coordination in the policy making process, the findings generated from case studies demonstrated that the change in bureaucratic operation in relation to coordination was limited. In spite of more political intervention resulting from the institutional change, it is argued the primary policy was still on track due to the substantial bureaucratic networking (see Section 5.7.3), and this was supported by Senior Specialist of the CEPD, Liao (see Section 8.3.3). Hence, findings in this thesis suggest that in spite of its impact on the policy making process, the institutional change in the late 1990s resulted in few changes to the bureaucratic operation.

9.2 Reflections on the Findings

The Taiwanese planning system is rooted in a distinctive cultural tradition, notably Confucian humanism and Sun Yat-Sen's philosophy. In encountering drastic institutional change over the last decade, e.g. the trend toward to market-based planning system under economic globalisation, the planning process in Taiwan has offered a valuable subject for understanding the changing planning landscape under the pressure for institutional change, yet within a broader cultural-historical context. Through the cross analysis of three cases, the change and unchange in policy coordination process has been revealed and explained. As a result of the foregoing analyses, several reflections are suggested in the end of this research.

9.2.1 The distinctive cultural and political context of Taiwanese Planning

Based on research findings, the thesis contends that the cultural and political context contribute a decisive influence in the policy making process and have made Taiwanese planning distinctive from those of western experience.

The influence of context can be identified in two dimensions. On the one hand, the importance of personal factors such as the 'big person' factor and personal relationships in the three cases selected reflect the significance of the concept of 'rule of human' which has its origin in an ancient Chinese philosophy, Confucian humanism, which stresses the importance of maintaining social order and harmonising relationships.

As a result of this circumstance, formal institutions, e.g. law and legal process, are the least favourable resorts for solving problem, since maintaining relationship become a concern in order to keep social harmony (Liang, 1930). Due to the concern of social harmony, resistance in the public sectors is unusual because public officers tend to follow orders and keep good relationship to each other even if sometimes such orders conflict with regulations (Liao and Hsu, 2002). This intention of keeping harmony has also reduced the significance of formal institutions since people are reluctant to solve their problems through legal process, rather they look for resolution through personal networks. This was observed in the three cases in this research study, for instance when 'political interventions' were adopted openly in the competition for the National Telecom Technology Centre (see Section 6.4.1). Such concern for harmony indicates a distinctive cultural context which influences the relationships between individuals in institutions and particularly made personal factors, such as networking and the 'big person' decisive in policy making processes.

On the other hand, its unique political context has also affected Taiwanese planning especially the movement towards democratisation which has resulted in a series of impacts on not only political institutions, e.g. the streamlining of Taiwan Provincial Government, but also political culture, e.g. the appearance of ‘gold power’.

As a result of the democratic movements since the 1980s, Taiwanese society has changed from being ‘*an intellectual guided society*’ to ‘*a preference or volition guided society*’ (Chu, C.-H., 1991, p.163). The last twenty years saw a drastic political change from authoritarianism to democracy in Taiwan which it is argued resulted in the rise of black-gold politics due to the rise of local political power (Chao, Y. 1996; Kao, Y. 2003). The three cases selected have demonstrated the impact of political change in the planning process as the local planning authority has increasingly played a role in not only land use planning but also economic development planning, and political intervention has been more frequent in recent years, e.g. political intervention in the case of CTSP in Sections 6.7.3 and 8.2.2.

Moreover, the research findings indicate that increasing local power has resulted in more political intervention in the planning process and it also confirms the assumption in Section 3.2.3 that the influence of local interest groups has not decreased with the development of democracy on the contrary it is transferred to a more sophisticated interlocking network which was found in the vivid operation of the coalition of local interest group in the making of the KSP District Plan in Section 6.3.2.

As discussed in Chapter Three, over the last two decades, Taiwanese planning has transferred from being plan-led planning to market-led planning which implies a lower central control and more local planning powers. With regard to the rise of local

power in the democratic movement, the research shows the weakening role of the central planning authority in Taiwan and contends that there has been a growth of local political power resulting from deepening democracy in the 1990s. The case studies illustrated this change has led to more political intervention in planning processes in Taiwan.

It is important to note that the cultural context and political context are connected. The significance of relationships has been embedded in Chinese culture for over two thousand years, and it is important in politics to offer an arena in which personal relationships and networks are highly exploited. The research also contends that the collapse of authoritarianism has not decreased the importance of the personal factor in planning processes on the contrary it confirms the connection between political intervention in policy making and personal relationships which was shown in Sections 5.7.1, 6.7.3 and 7.7.2.

9.2.2 The influence of Sun Yat-Sen's philosophy on Taiwanese planning institutions

Chapter Three illustrated that the Taiwanese planning system is based on a hybrid planning context and mixed with multi-cultural elements which have made it a distinctive subject for planning research. The hybrid planning institution has firstly inherited a legacy from land use planning founded in the Japanese occupation between 1895 to 1945 and then has received a huge administrative structure based on Sun Yat-Sen's theory, *Three Principles of People*, which was initially designed for great China and was transferred by KMT government after 1945. As a result of the written status in the Constitution and many other official Laws and Acts, Sun, Yat-Sen's philosophy is widely seen as the foundation of the Republic of China's

governmental institutions.

With respect to land use planning, Sun, Yat-Sen's theory has affected land use policy in Taiwan, especially those in relation to property rights and farming land (Su, 1991). Sun argued the property rights can be owned privately but the developmental gains should be shared with the whole society. That is to say Sun's theory stresses the significance of government control in land use planning which is also the fundamental basis of land use control system in Taiwan. It is believed that his land use theory was influenced by American political economist Henry George and it is reflected as the land value tax in Taiwan (Tsai, C.-Y., 2001).

Regarding the planning system, the legacy of Sun Yat-Sen's philosophy can also be found in the strict regulation of land use change in order to prevent capitalisation of property rights. Yet, notwithstanding that this land use control contributed to clear land use guidance, the case study revealed that its stress on how to avoid planning abuses rather than exploiting the merits planning can achieve has resulted in criticism of what some perceive as an inflexible system (Lee, Y., Lan, I. and Juang, H., 2005). It is therefore suggested that the restrictions imposed by land use planning have particularly limited alternative use on farming land and has led to a huge difference between the price of agricultural land and that of other land, i.e. industrial, commercial and residential land, which was discovered in Section 5.5.1.

When land use switching becomes difficult and the difference of the price of various land use increases, the land use control based on Sun, Yat-Sen's philosophy has encountered challenges from the changing context, e.g. market-led planning concept and the rise of local political power which was reflected in conflict between central

and local planning authorities in Sections 5.5.3 and 7.6.3. The former stresses the developmental control, while the latter - suffering from economic competition - prefer a more market-led resolution in the land use planning process. In spite of its decreasing influence, the thesis argues that the philosophy of Sun, Yat-Sen has still been important in farming planning institutions in Taiwan, especially those in relation to land use change in development control.

9.2.3 Critique of the application of neo-institutionalist approach

As mentioned in Chapter Two, the neo-institutionalist perspective offers a very flexible justification for the definition of institutions. Accordingly, compared to classic institutionalism, it provides a broader viewpoint with a non-specific focus to explore an undiscovered area. Moreover, neo-institutionalism is thought of as a theory emphasising developing a sociological view of institutions and the relationship between institutions while it also focuses on the effect of interaction among actors and argues this reciprocity affects institutional activities and decisions. That is to say institutions operate within, and are shaped by an operating environment.

Nevertheless both the traditional institutionalism or neo-institutionalism stress the significance of institutions (variously defined) (Alexander, 2005), and the research findings generated from three cases indicated that personal factors and networks might be more significant than government institutions in the planning process in Taiwan. While political intervention could affect policy outcome (see Sections 5.7.1 and 6.7.3), personal networks also facilitated policy making progress and helped maintain main policy directions (see Section 7.7.2). It therefore implies that there might be another important mechanism behind the formal planning institution, i.e. networks based on personal relationship, and this raises the question of the capacity of

the neo-institutional approach to analyse policy coordination in the Taiwanese planning system. If the institution is not the key factor, there might be some theories, i.e. power relation and network theory, suitable as the conceptual framework in this research.

However, it is worth emphasising the value of the neo-institutional approach for understanding the underdeveloped research area which was the subject of this thesis. In response to the criticism of classic institutionalism, the neo-institutional approach respects the significance of individual behaviour and takes a broad perspective on the definition of institutions. This inclusive viewpoint benefits the research undertaken in this thesis. First, through the adoption of the neo-institutional approach, the thesis explores planning institutions in Taiwan and proves that the policy making process has been affected by the institutional changes which have occurred over the last decade. The evidence for this is found in the discussion about the weakening role of the CEPD and the rise of local authority powers.

Second, the research findings revealed that although the policy making process has been affected; the direction of policy outcome has generally been maintained due to the solid tradition of bureaucracy. In each case study, planning officials agreed that the primary planning policy had remained on track despite leadership change. The research analysis points out that a strong bureaucratic culture and the solid personal networks have reduced the impact of institutional change on policy implementation.

Third, the study therefore suggests that institutions do matter in policy making and coordination since the institutional change has affected the policy making process; however it is also worth noting that cultural factors, personal relationships and

networks must be taken into account in any research on policy making in Taiwan. From the site selection for STSP to the final approval of the KMFCT project, the importance of the personal relationships is obvious.

Finally, such personal networks, as mentioned in Chapter Three, are embedded in the cultural context and as such can be viewed as a part of the institutional context. As a result, the findings from this study support the neo-institutional argument that informal elements of institutions cannot be ignored. The study findings also point to specific areas which need to be taken into account in further research in relation to Taiwanese planning, i.e. personal networks and the cultural context.

Owing to the broad viewpoint of the neo-institutionalist perspective, the research did not exclude the significance of informal institutions and, as result of research findings, it further confirms the importance of informal factors such as personal factors and networks. The thesis would therefore not deny the critique of the neo-institutionalist perspective in relation to its 'vague' (i.e. broad) definition of institutions in policy analysis because precisely this 'vague' definition contributed to an inclusive exploration and helped indicate the specific area for further research.

It must be remembered that the primary purpose of this research is to explore the operation of policy coordination in Taiwanese planning and the impact of institutional change over the last decade. Moreover, at this stage, the neo-institutionalist perspective has proved its contribution in generating an initial picture and analysis of how policy coordination operates in Taiwanese planning and, most importantly, pointing out the specific field, personal networks, and cultural elements as focuses for further research. This thesis therefore suggests the neo-institutional approach may not

be suitable for further specific research though it has contributed the preliminary understanding of planning coordination in Taiwan.

9.2.4 The limitation and question of linkage between the neo-institutional approach and the research strategy of using the snowball sampling technique

As the neo-institutionalist perspective takes a broad viewpoint to explore the relationship between economic development and land use planning, and the case study method engaged with snowball process strategy provided a specific focus on policy networks, some questions arise about the linkage between a wide conceptual knowledge and the project-based approach.

The first question comes from the narrow range of interviewees, which were mainly from administrative organisations with none of them drawn from the political elite. Second, the research argues that the snowball technique is useful for identifying interviewees but this does not answer the question of who might be excluded. The thesis focuses on a particular type of networked interviewee which may not fully encompass all those who operate in an institutional context. The two questions above are related and both point out the potential limitation of methodological method in this research.

The range of interviewees is indeed limited; however this does not conflict with the aims of this research. With regard to the focus of the research mentioned in Section 1.2.4, the purpose of this thesis is to discover the interactions between the land use planning and economic planning sectors through an exploration of policy coordination in three economic projects, and to evaluate the changes after 2000. To accomplish the purpose, four research questions were generated to answer how coordination operates and the change in planning process after the institutional change in the late 1990s

(Section 4.2.1). The research questions intended to understand policy making process and put bureaucratic operation in the centre of this study. This therefore explains the lack of political elite in the interviewee list since political operation was not the original focus. Nevertheless, interviews undertaken through the snowball process indicated the significant role of important politicians which appeared as the factor of 'big person'.

According to the snowball process strategy, before conducting field research, the researcher could not predict the final informant list and would only have supposed some categories in which potential interviewees might fall. The snowball process strategy eventually illustrated the very weak connection between the plan making process and private planning consultancies and the significance of academic groups as well as public institutions in the planning process, since some academic respondents held positions in government.

With regards to the literature review chapters, this result of interviewee selection based on a snowball strategy was unsurprising, since Sections 3.3.2 and 3.6.1 pointed out the planning process in Taiwan is dominated by the public sector and Section 2.5 indicated the significance of institution in which academic groups have their influence. The thesis hence contends the final informant list as a result of the snowball process was unlikely to have overlooked key sectors influencing the planning process.

Because of the limitation of any single research method, this study did not intend to include every participant in each case; instead it attempted to focus on the group selected by a well-considered research strategy and to refine the interaction and relationship between policy makers. The rich empirical material reflects that in spite

of the narrow range, interviewees selected by a snowball process strategy have revealed valuable resources to answer the research questions of the research.

Third, some may question the boundaries of the case studies: as a neo-institutionalist perspective would suggest that case studies should be wide ranging, can a narrower project-based approach adopted is capable to explore the panorama? This was indeed an issue during the stage of research design.

With reference to the planning context, the Taiwanese government has adopted a developmental state strategy and has focused on economic growth over decades. As a result of the developmental strategy, it is argued that there has been a dominating economic policy led by flagship economic projects. Hence, economic projects inevitably become a significant subject for the understanding of policy coordination in relation to economic planning. Once the economic project had become the subject of the case studies, the question then was how to select proper projects to answer the research questions generated. In order to obtain rich sources to explore policy coordination between the economic planning sector and the land use planning sector in both vertical and horizontal dimensions, three flagship economic projects were selected and more details of case study selection was described in Section 4.4.

In this research, a neo-institutionalist perspective provides a broad view to understand the issue of policy coordination in Taiwanese planning which had not been discovered before. The inclusive and open-minded neo-institutional approach has contributed the flexibility to explore the operation of the planning process. Given a broad understanding of institutions, the research method which consists of case study strategy, semi-structured elite interview and documentation offers rigorous discipline

to analyse and explain the relationship and interaction between institutions and policy makers.

This research argues a broad conceptual approach does not conflict with rigid methodology, for instance interviews through snowball process sampling has discovered plenty of evidence of the significance of institutions and the impact of institutional change to support the earlier neo-institutionalist framework revealed in Chapter Two.

Nevertheless the successful linkage between neo-institutionalism and methodology adopted in this thesis heavily depends on the condition where the research is dealt with. As an empirical study to explore an unfamiliar study area with few academic resources, the employment of neo-institutionalist perspective and specific methodology, e.g. snowball technique has shown its value in this study and indicated some important points which can not be ignored. In spite of its successful achievement, it is worth noticing that neo-institutional approach is not necessarily suitable for the further research and a more specific conceptual framework and different research methods may be more beneficial.

9.3 Suggestions for Further Research

The research findings in this study lead to the following suggestions for further research. First, the neo-institutional approach could be used to assist multi-cultural planning research. Owing to the flexible and inclusive definition adopted by the neo-institutionalist perspective, this thesis has obtained a panoramic view of policy coordination in the Taiwanese planning system and discovered the significance of

personal networking behind the formal planning framework. This thesis therefore endorses the contribution of the neo-institutional approach and suggests personal networks could be an area to focus on in further research in relation to Taiwanese planning.

Second, this study has shown the significance of the social context and cultural influence in the planning process. In Taiwan, many tend to adopt Western planning theories in the planning system and practice. This neglects the importance of the cultural context which has been shown to be significant in this research. For instance, New Town projects in Taipei and Kaohsiung based on British planning practice have proved impractical. All three case studies in this thesis confirmed the considerable influence of tradition and culture on policy coordination in the plan-making process. In particular, this study revealed the importance of the 'big person' factor, based on the 'rule of human' culture in Chinese-culture society. This suggests, the influence of the 'rule of human' needs to be taken into account in all planning research undertaken in a Chinese-culture society e.g. Hong Kong, Taiwan.

Finally, the outstanding success of the snowball process strategy to identify and access research participants was unexpected. Many interviewees provided surprisingly frank responses to the researcher's questions due to the trust developed between the researcher and interviewees based on this strategy. Moreover, the trust generated introductions to other informants. Such information might not otherwise have been obtainable if the snowball strategy had not been used. As a result of the aforementioned advantages, it is suggested that the snowball strategy be used in further research focusing on relationships and networks in the planning process. The snowball strategy would be particular useful in society which are known to be

conservative and traditional, e.g. Chinese society.

In general, the thesis has confirmed the significance of institutions in the policy coordination process and proved increasing political intervention in the plan making process has resulted from the institutional change in the late 1990s. The unexpected discovery of the significance of informal elements of institutions in the Taiwanese planning system leads to a new understanding of how policy coordination operates. This is a major contribution of this thesis.

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