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POLITICAL ECONOMY OF TAIWAN; A QUEST FOR FINDING A POLITICAL ECONOMIC BLUEPRINT FOR AFRICA'S DEVELOPMENT

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Abstract

This paper examined the Political Economy of development in Taiwan, to compare its policy choices then with some of those made by African countries more recently, and to attempt to extract some blueprints from Taiwan that may be of relevance as regards African development strategies. The Asian experience may be difficult to adapt in Africa because of obvious differences. However, it is necessary to make the case that Taiwan can be a useful model for Africa or be set as a benchmark for African development regarding policy acculturation and pragmatism. The paper relies solely on secondary sources and adopted the rational choice theory. The paper revealed that Taiwan used her past experiences despite perceived aggression and threats to channel proper developmental strategies for herself. The study concluded that Taiwan's economic policy stressed stability over liberalisation, and its emphasis on the state as a developmental agent that controlled key economic parameters may mean that some aspects of its experience will be difficult if not impossible for African countries to emulate. The reasons for this are critical differences in state capacity and ideology, as reflected in domestic political structures and state institutions in Africa and Taiwan. Foreign aid to Africa however ends up in the coffers of corrupt politicians or misused in white elephant projects. The study recommends amongst others that African nations should ensue transparent utilization of foreign assistance in order to attain development.

Keywords: Political Economy, African Development, Taiwanese Development, Economic Blueprint

INTRODUCTION

This paper examines the case of a very successful developing country Taiwan—in order to assess the importance of market and governmental policy in promoting development. Taiwan is generally viewed as having an authoritarian and conservative regime and an extremely dynamic economy with one of the average annual growth rates in the world over the four postwar decades.Graeme cited in Anne & Pei-Fen (2012).

At the same time, this island has achieved major increases in its people's quality of life and a low level of income inequity typical of the advanced industrial societies. Thus, the developmental experience of Taiwan offers a good case study for evaluating the role played by the state and the market in promoting economic growth and social welfare which is a footprint Africa can toll.

Throughout the twentieth century Taiwan was viewed as a model - whether as a model colony, a model of Chinese growth, or a development model. This perception is one that has been embraced by both politicians and scholars. The notion of Taiwan having undergone an 'economic miracle' gained wide currency based on its rapid and sustained economic growth and structural transformation after 1960. Since the 1960s, political developments - in particular, the emergence of Taiwan as the first Chinese democracy - have focused more attention on Taiwan as a model for political reform in Asia. Yet much of Taiwan's history during the past century has been unique, and many of the preconditions of Taiwan's economic modernization and political development may not be readily replicable elsewhere. Anne & Pei-Fen (2012).

This paper asks whether it is possible to disaggregate the unique from the general, and to identify the makings of a replicable model from the experience of a single nation. Whatever, Taiwan in the 21st Century offers a critical analysis of economic and political development that will provide essential reading to students and scholars of democracy, political economy and development issues.

Taiwan has long been regarded as a prominent member of the East Asian "miracles" family, also known as the "Asian Tigers." However, the East Asian financial crisis prompted a reevaluation of Taiwan's success, with some analysts highlighting the country's potential vulnerabilities due to its advanced state of globalization. The underlying message here is twofold: firstly, Taiwan's impressive performance can be fully accounted for, with no reliance on the notion of a "miracle"; and secondly, Taiwan stood out from its neighbors by weathering the worst impacts of the financial crisis for reasons that can be logically explained. Some experts posit that Taiwan's "miraculous" progress can be attributed to the perception and existence of a threat from its historic motherland, the People's Republic of China. Anne & Pei-Fen (2012).

Although Taiwan's current economy and polity still face challenges and mistakes were made in the past, the combination of favourable initial conditions and smart policy decisions has resulted in sustained growth with equity and a degree of protection from external shocks. While societies cannot change their initial conditions, they can make thoughtful institutional and policy choices over time to moderate their vulnerability to crisis and advance toward modern economic growth. Even the less-developed countries are not irretrievable "basket cases," and by studying Taiwan's historical record, other nations can learn valuable lessons to apply selectively to their circumstances. Deborah (1994).

This study is divided into four sections. Initially, it highlights the advantageous circumstances that enabled Taiwan to excel, even among the prosperous East Asian nations. Subsequently, it delves into the policy framework that guided Taiwan's development over the past fifty years. The third section examines the potential for replicating Taiwan's achievements in Africa's pursuit of economic growth. Finally, the paper concludes with insightful recommendations for Africa's development, based on Taiwan's successful approach.

This study aims to examine the Political Economy of Taiwan in relation to its policy decisions and identify potential guidelines that could be applicable to African development strategies. Although adapting the Asian experience to Africa may present challenges due to significant differences, it is important to demonstrate that Taiwan could serve as a valuable template or benchmark for African development in terms of policy assimilation and practicality. Upon reviewing the Political Economy of Taiwan, one is left with the fundamental inquiry that this study is based on: What lessons can Africa glean from Taiwan's experience?

METHODOLOGY

The study uses secondary source of information known as content analysis through reviewing relevant various kinds of literature on the subject matter. These sources of information will be collected and gathered from Newspapers, Journal and textbooks gathered physically or through the internet.

THEORETICAL FRAMEWORK

The importance of literature review in a research work as this cannot be overemphasized. This is because, literature review concerns a re-examination of the extent to which existing research and relevant literature have covered the area which one may wish to investigate. Obioma (1987) assert that literature review simply implies re-examining the fact which interact in the works already carried out which the prospective research studies. The basic and underlying assumption here is that, a review of literature is necessary for a better grasp of the background of the subject matter under study. It is only when it is done and the researcher builds on existent literature, that one would say that there is real addition to knowledge.

Rational Choice Theory

The rational choice theory, largely credited to Anthony Downs's "An Economic Theory of Democracy" (1957), attempts to explain social and political phenomena by examining how self-interested individuals make choices based on their preferences. It views social and political exchanges as akin to economic transactions, where all parties seek to maximize their advantages and minimize their disadvantages. This theory, originally derived from economic studies, has gained traction in social sciences beyond economics, including sociology and political science. As a result, it has significantly impacted the study of interest groups, elections, legislative behavior, coalitions, and bureaucracy. The theory assumes that political actors, or a particular class of them, are rational, with rationality defined as efficiency in pursuing goals and maximizing output for a given input, as articulated by Downs (1957). Additionally, according to Isaak (1985), a politician is considered rational when they choose a course of action that is most likely to achieve a particular objective within a given situation.

Adam Smith is one of the pioneering economists who laid the groundwork for rational choice theory. In his 1776 book "An Inquiry into the Nature and Causes of the Wealth of Nations," Smith delved into the concepts of self-interest and the invisible hand theory. Many fundamental economic assumptions and theories stem from rational choice theory, which is closely linked to the ideas of rational actors, self-interest, and the invisible hand.

Rational choice theory is predicated on the participation of rational actors. These actors, operating within an economy, make decisions based on careful deliberation and the information available to them. They serve as the foundation of rational choice theory, which posits that individuals, or rational actors, actively seek to maximize their benefits in any given situation and consistently strive to minimize their losses. Economists and political scientists utilize this concept of rationality as part of comprehensive studies aimed at understanding societal behaviors in the context of political and economic development.

The justification of the rational choice theory to this paper explains why and how Taiwan makes certain choices, based on specific costs and rewards. Rational choice theory in relation

to Taiwan economic development is evidenced based on her historical antecedent and what they passed through, uses their self-interests to make choices that provide them with the greatest benefit for her political and economic development. Every economic and political decision in Taiwan from the past to the present is aimed toward Taiwan's national interest deeply rooted in her economic development and nation building.

Literature Review

Taiwan's Economic Development and Challenges

According Edmonds, & Goldstein (2016), Taiwan has successfully managed over sixty years of consistent growth and development, and has done so starting from an exceptionally poor natural resource base, almost total diplomatic isolation from formal international relations, and the near perpetual threat of war with Mainland China. During the early development phase, the boost acquired through the infrastructural endowment of Japanese occupation coupled with American aid helped the island economy hit the ground running, and laid the foundation for further growth. The agrarian land reforms of the 1950s created an initial state of relative equity and income equality among the population, allowing the government to pursue its development strategies relatively uninhibited by civil unrest. The overarching fiscal and monetary conservatism of the Taiwanese autocracy led to a perhaps unexpectedly dynamic economic structure composed predominantly of SMEs, a structure which would ease the economy-wide transition from import substitution-based development to export orientation, as well as the more recent transition from manufacturing towards an economy increasingly dominated by high-tech goods and services. Throughout all the phases of Taiwan's development, the Confucian preferences for hard work, social harmony, and a reverence for learning seem to have guided political elites, entrepreneurs, and households alike towards ever greater levels of material well-being while at the same time preserving social equality to a degree that any developing country would find desirable. Chow (2020), Taiwan's "golden decade" blueprint (2011-2020) has some overlapping interests and both sides seem ready to further improve economic cooperation and seek common development and prosperity.

A second, in study conducted by (Institute"Taiwan-U.S.Quarterly Analysis") in (2019)Taiwan's domestic politics, as in many countries, could easily disrupt an otherwise rational policy choice—a case in point was the U.S. beef import case that has flared up in 2009 and continues today. After much deliberation and nearly 12 months of field investigations, research on international health standards, inter-agency coordination, and public outreach, a U.S.-Taiwan beef import agreement was signed in 2009. However, given the partisan atmosphere that prevailed at the time in the run-up to Taiwan's municipal elections, the Legislative Yuan weakened the agreement with an amendment to limit the scope of import.

Third, according to Berger & Lester (2018). adapting to the challenges of globalization and aggression from China is a great challenge for Taiwan, given different levels of development. Good governance in the areas of policy formulation, consensus building, bipartisan collaboration, public outreach, domestic restructuring, and adapting to international standards will continue to take Taiwan out of such challenges.

In a study by the Syaru Shirley Lin, Nonresident Senior Fellow - Foreign Policy, Center for East Asia Policy Studies (2021) on Twain's political economy in the contest of Covid-19 revealed that Taiwan managed the spread of COVID-19 far better than most, it suffered only

seven deaths among its 23.5 million people in 2020. Except for a few short weeks of soft lockdown in March 2020, life in Taiwan has been normal. Schools, offices, and restaurants have been open as usual, although with temperature screening, hand sanitizing, and social distancing. Taiwan's ability to fight COVID-19 illustrates its excellent public health infrastructure and health policy expertise, supported by extensive data and digital technology. Taiwanese people have also demonstrated a high level of trust toward both their government and their fellow citizens, applying lessons learned fighting the SARS pandemic in 2003 to prevent the spread of this latest virus.

FACTORS NECESSARY FOR TAIWAN'S DEVELOPMENT

According to Deborah A. Brautigam (1994), Certain preconditional factors were necessary for Taiwan's development. This can be seen below;

In I895, Taiwan was ceded to Japan from mainland China. Upon arrival, the Japanese rapidly implemented standardized weights and measures, conducted a thorough cadastral survey, and implemented partial land reform. Through tightly controlled farmer associations and neighborhood committees, the colonial state was able to deeply penetrate Taiwanese society and maintain effective and low-cost control. In an effort to increase smallholder production of rice and sugar for export to Japan, irrigation structures and research institutions were built, as well as nearly 16,000km of roads, 6,000km of railway tracks, and two large harbors. At first, industrial development was limited to Japanese nationals, with restricted entry for native Taiwanese. However, sugar refineries, rice mills, and pineapple canneries were established to produce imports for Japan. Industrial output grew by 6% annually in the 1930s, including textiles, bicycles, cement, paper, fertilizer, metal products, and petroleum refining.

The Colonial Period, I895-I945.

During I895, Japan gained control of Taiwan after Mainland China was forced to cede the island. The Japanese quickly implemented standardized weights and measures, conducted a thorough cadastral survey, and implemented partial land reform. The colonial state established a deep presence in Taiwanese society by closely monitoring farmer associations and neighborhood committees, allowing for effective and cost-efficient control. To boost smallholder production of rice and sugar for export to Japan, the colonial regime constructed irrigation structures and research institutions, and built nearly 16,000km of roads, 6,000km of railway tracks, and two large harbors. At first, industrial development was only open to Japanese nationals, with limited access for Taiwan's native population. Sugar refineries, rice mills, and pineapple canneries were established to produce imports for Japan. Industrial output grew by 6 percent annually in the 1930s and included textiles, bicycles, cement, paper, fertilizer, metal products, and petroleum refining. Yu & Xu (2001).

The Role of U.S. Aid, I950-65

During the late I950s, economists specializing in development argued that foreign aid should address the two gaps of foreign exchange and domestic savings. Taiwan's aid program adhered to this framework, enabling increased imports and domestic capital formation beyond what would have been feasible otherwise. The U.S. aid did not cause reliance and ended in 1968 after just 18 years. This support began during a period of economic crisis in I950 and continued at elevated levels as the nation implemented a significant structural adjustment program in I960. The timing was also crucial in establishing the groundwork for fair income distribution: over half of the aid went to support a major land reform and associated agricultural development in the first three years of the program. The aid-financed productive infrastructure (over 36 percent for electric power generation projects) and

contributed almost 59 percent of net domestic capital formation in agriculture, primarily in water use and management. More than 73 percent of in-kind aid came in the form of raw materials ready for industrial processing, including raw cotton (nearly 95 percent), soybeans (over 93 percent), ores, and metals (over 8 percent) Deborah (1994).

Agriculture as the Foundation

The development of irrigation construction, agro-industries, and research by the Japanese brought benefits to Taiwan. However, it was the land reforms imposed by the Kuomintang (KMT) after the war that led to improvements in income and asset distribution.

In Taiwan, land reform, investment in research, risk protection for farmers, and assurance of fertilizer supply all played a role in promoting economic growth in the 1950s and 1960s. These efforts provided agro-processing inputs and affordable rice for wage-earners, while also creating a market for locally-produced industrial goods like small power tillers and pumps. Although the sector itself received significant investment and resources from the Government, the net transfer from agriculture to the rest of the economy amounted to 15-22 percent of total agricultural production between 1952 and 1969. This enabled the sector to boost productivity and serve as the During the development of the island as a supply depot, the Japanese constructed a vast network of rural routes. These routes were primarily maintained and improved by the KMT Government. The percentage of paved roads experienced a significant increase from 7% in 1952 to 50% in I972. Additionally, the Government continued Japan's extensive rural electrification program while constructing rural industrial estates that allowed farm families to supplement their income by working in decentralized factories. Agriculture became the foundation for Taiwan's economic development during early years and served as an anchor for growth in industry and commerce. Whereas in 1951, agricultural production accounted for 35.8% of Taiwan's GDP, by 2013, it had been vastly surpassed, and it's NT$475.90 billion accounted for only 1.69% of the GDP. As of 2013, Taiwan's agriculture was a mixture of crops (47.88%), livestock (31.16%), fishery (20.87%), and forestry (0.09%). Since its accession into the World Trade Organization and the subsequent trade liberalization, the government has implemented new policies to develop the sector into a more competitive and modernized greenindustry. Hayami &Godo, (2015).

Infrastructure

During their efforts to establish the island as a supply depot, the Japanese constructed an extensive network of rural routes which the KMT government primarily needed to maintain and improve. The percentage of paved roads increased from 7 percent in 1952 to 50 percent in I972. Additionally, the government continued Japan's program of rural electrification while building rural industrial estates that allowed farming families to supplement their incomes by working in decentralized factories. In 1952, the transport infrastructure density - including roads and railways - in Taiwan was still more extensive than in African countries today, despite similar levels of electricity consumption per capita and comparatively higher installed capacity. This indicates that although the colonial period left Taiwan with better infrastructure, in recent decades, several African countries have reached comparable I952 levels. Zhang (2022).

Education

Taiwan's tremendous industrial progress was driven in part by the government's investment in promoting literacy among the masses, as well as providing vocational and science-based

education. Thanks to funding, societal values, and legal mandates, Taiwan's literacy rates soared to nearly 87% by I972. In comparison, middle-income African countries managed to achieve Taiwan's 1952 primary enrolment rates of 84% by 1970, while low-income nations are still lagging behind with enrolment rates at or below 68%. This information was shared by Deborah in 1994.

Taiwan's government allocated significant resources towards planned, vocational training, which increased as a proportion of all senior high school enrolments from 37% in I950 to 55% in I980. Much like parents and students in Africa today, Taiwanese families in the I950s and I960s hoped that their educated children would become white-collar office workers rather than factory laborers. However, the government did not cater to these aspirations but instead directed students towards educational paths that were more aligned with the needs of the economy. By 1985, Taiwan had 767 engineering enrolments per 100,000 people, while the average for 13 African countries with similar data stood at a mere nine. Due to its role in promoting Taiwan's economic development, high test results, and high university entrance rate, Taiwan's education system has been praised. 45 percent of Taiwanese aged 25 to 64 hold a bachelor's degree or higher. Lin (2022).

POLICIES THAT AIDED INDUSTRIAL DEVELOPMENT IN TAIWAN

In addition to the preconditions accounting for Taiwan's development, other policies were very critical in making progress a reality in the country.

Exchange Rate Policy

Taiwan's approach to exchange-rate policies prioritized stability while also taking measures to prevent overvaluation. In fact, during the 1950s, the government devalued the yuan multiple times (from 5 to 40 NT$ to the U.S. dollar) and gradually transitioned from a multiple to a unitary rate leading up to I961. After that point, Taiwan maintained a fixed nominal rate (with some minor adjustments) of 40 NT$ to the U.S. dollar, and only allowed it to float in 1978 when it became linked to a trade-weighted basket of major trading partners' currencies. This stability was a significant boost to Taiwan's domestic industry, and it was only possible because the country's fiscal and monetary policies and trade balances kept the real effective value of the yuan within a range of 44-30 NT$ to the U.S. dollar. When the real value deviated from nominal values, it tended to be in the direction of undervaluation, which discouraged imports and encouraged exports. Rodrik (2022).

Additionally, all foreign exchange was controlled by the government and allocated almost exclusively for development purposes. It was not permitted to be spent on leisure travel, for example. Exporters were required to surrender all receipts to the Central Bank, but under a marketable foreign-exchange linkage system, many could regain 100% of their export earnings. By I983, overvalued exchange rates in Africa had led to average "parallel" market rates that were about 250% higher than official rates. Clearly, such overvaluation is unsustainable, and while allowing the exchange rate to float may not be the most viable strategy, by I990, four out of nine African countries that had established floating rates had already abandoned them in favor of greater controls. Central Bank Interest Rates of Taiwan (1961-2010) cited in Anne & Pei-Fen (2012).

Credit and Interest Rate Policy

During this period, Taiwan's credit and interest rate policies were heavily influenced by the government. State-owned banks were given specific targets to direct finance towards particular industries and sub-sectors, and interest rate control was only relaxed in the early

1980s. In the 1970s, government planners targeted 75% of bank loans towards certain industries. If credit allocation had been left to the market, traders may have received a larger share of bank loans. However, manufacturers generally received a lower interest rate. The country's successful labor-intensive industrialization can be attributed in part to the need to conserve relatively expensive capital. By keeping real interest rates consistently positive on savings deposits, domestic savings were encouraged to finance industrial investment. Pettis (2019).

Taxing and Spending

Taiwan's adherence to neo-classical principles resulted in low government deficits and a preference for consumption taxes, while business and personal taxation rates remained low. A detailed breakdown of tax revenues in I962 reveals 8% from income taxes, 22% from customs duties, and 6% from business taxes, indicative of Taiwan's taxation policy being shaped by both economic policy and government capacity. Taiwan's high level of government capacity enabled a computerized taxation system after the Tax Reform Commission of 1969, which successfully reduced evasion. Additionally, Taiwan's tax system favored manufacturing through the I960 Statute for Encouragement of Investment, which provided manufacturers with a five-year tax holiday, an 18% cap on business income taxes (compared to 32.5% for traders), and tax deductions for reinvested profits and certain export proceeds, as per. Taiwan Statistical Data Book (2009)

Utility Pricing

The government-owned utility in Taiwan provided electricity at "realistic" prices, without profit or subsidy, aligning with the World Bank's recommendations for African countries. In 1961, local planners considered Taiwan's power rate to be "relatively low" at approximately U.S. $0.1/kWh. In contrast, almost three decades later, Nigeria's power rates were heavily subsidized and less than U.S. $0.008/kWh, resulting in poor system performance with 50% of factories experiencing frequent power outages. To compensate, every firm with over 20 employees invested in its power supply at an average cost of U.S. $0.51/kWh. These infrastructure deficiencies, including unreliable electricity supply, act as an implicit "tax" on African industries, increasing the cost of operation and investment by 50% to 100% compared to South Asia. Utilities: Monthly utility costs, including electricity, water, and garbage services, are generally reasonable. For a standard 85m² apartment, utilities cost about TWD 2,000 to 3,500. Internet subscriptions are also moderately priced, with high-speed internet services ranging from TWD 800 to 1,200 per month. National Statistics. Republic of China (Taiwan) 2023.

EMULATING TAIWAN'S SUCCESSES IN AFRICA

Numerous African countries are currently trapped in harmful cycles of debt, low productivity, inadequate skill sets, deteriorating infrastructure, and poverty. Meanwhile, the gap between Africa and other developing regions continues to widen. This has prompted calls from critics both inside and outside the Bretton Woods institutions to overhaul the standard structural adjustment strategies utilized by most developing nations. Shambaugh (2020).

Taiwan and sub-Saharan Africa vary significantly in multiple essential areas, as this paper has explored. These include factors such as colonial history, experience with foreign aid, infrastructure, and agricultural foundations, as well as cultural heritage and international economic conditions. While Japanese colonial investments led to a robust agricultural sector,

extensive transportation infrastructure, and a base level of literacy, sub-Saharan Africa faces different challenges.

Following World War II, Taiwan implemented significant government-driven reforms before its export push. This provided the basis for equitable asset (land) distribution and ensured that the benefits of growth were shared relatively equally. The state increased agricultural productivity and supported diversification while also relying on agriculture as a crucial source of tax revenues to support industrial development. Meanwhile, the foreign aid provided to Taiwan by the United States was more extensive and focused on infrastructure and balance-of-payments support than the aid received by African regimes. Much of the aid directed towards Africa was well-intentioned but ultimately ineffective, as it was spent on integrated rural development and social sector programme. Liang (2019).

In contrast to Taiwan's gradual and sustainable approach to policy reform, African countries are being pressured to liberalize amidst macroeconomic instability, which presents significant challenges. While Taiwan's export-oriented regime was highly protected between 1952-72, with various barriers and restrictions in place, this actually rewarded performance and enhanced market stability for producers, lowering start-up risks. In line with the above, Edmonds, & Goldstein (2016 it's possible that an illiberal regime like Taiwan's may have actually supported growth through X-efficiency and learning by doing. They further opined that, generous aid from the United States during Taiwan's stabilization and deficit reduction period allowed for increased public investment levels.

The stabilization period in Taiwan saw notable enhancements in education, transport infrastructure, and power supply. However, current adjusters do not have access to aid levels as high as before, leaving them vulnerable to the effects of reduced government spending. Berger & Lester (2018). Taiwan's reform initiatives share similarities with structural adjustment programmes in Africa, including the devaluation of the currency to transition from import substitution with overvalued exchange rates to import substitution with export promotion.

However, the Government in Taiwan tightly controlled the nominal exchange rate to maintain realistic levels. Inglehart (2013). Interest rates on savings and loans were consistently positive in real terms, in line with structural adjustment recommendations for positive real rates. This undoubtedly contributed to Taiwan's high savings rate and local resource mobilization, without providing capital subsidies or facilitating capital-intensive industries. Generous aid from the U.S. and the fear of hyperinflation drove Taiwan to reject deficit spending strategies and prioritize balancing the budget through direct and indirect taxation, achieving a surplus from I964 onward. Taiwan's proximity to Japan, frequently visited and studied by government planners and business people, provided a valuable model for export development. In contrast, sub-Saharan states lack such models, with the possible exception of post-apartheid South Africa, and do not benefit from the favorable international environment that Taiwan enjoyed in the 1960s and 1970s when it began its export push. The political differences and ideological confrontation between the United States and China motivated both the genericity of US assistance and the provision of a very friendly liberal international environment. Inglehart (2013).

Taiwan's state boasts a remarkable level of autonomy and capacity, particularly in terms of industrial support policies that heavily involve the government. In contrast, structural adjustment programs in Africa seek to diminish the role of the state. These unique factors make Taiwan's trajectory challenging to replicate, and this paper does not suggest doing so

completely. Instead, the aim is to prompt thoughtful reflection and adoption of such policies based on Africa's norms and values.

CONCLUSION

In order to put Taiwan's Political Economy and policy choices in perspective, this study reviews its colonial period, and the U.S. foreign aid programme, before focusing on the set of macro-economic and industrial policies that provided the underpinnings for Taiwan's extraordinary growth. The study concludes that its experience - in broad outline - has significant relevance for Africa, reinforcing structural adjustment recommendations that African leaders cut budget deficits, raise real interest rates, and avoid overvalued currencies. However, Taiwan's economic policy stressed stability over liberalisation, and its emphasis on the state as a developmental agent that controlled key economic parameters may mean that some aspects of its experience will be difficult if not impossible for African countries to emulate. The reasons for this have to do with critical differences in state capacity and ideology, as reflected in domestic political structures and state institutions in Africa and Taiwan.

Taiwan despite its history and aggression from China has managed to turn its economic fortune around with strong leadership and strong institutions which African countries can emulate rather than the constant blame game of our underdevelopment on colonialism and the influence of the West. With strong leadership and strong institutions, Africa like Taiwan can gain great economic growth and development against all odds. Hence, Taiwan's model is still one admirable perspective that nations rightly copy some of its perspectives, Africa will do well to do the same through policy acculturation and pragmatism.

RECOMMENDATIONS

i. Taiwan borrowed a great deal of experience from the dogged work habits and meticulous organization by her colonial master, Japan. This made progress easier for the country. African countries can emulate the commitment to development of her own continent from Europe rather than allow Europe to underdeveloped Africa.

ii. African nations should ensue transparent utilization of foreign assistance in order to attain development. This should be done to avoid foreign assistance ending up in the coffers of corrupt politicians or being misused in white elephant projects.

iii. Taiwan's commitment to free and compulsory vocational education remained matchless for years. African countries must understand the need to give priority to the education of their citizens, especially in the area of science and technology.

iv. In order to promote economic growth and progress in Africa, it is imperative that trade and industrial policies are revised to be more conducive to development.

v. Labour Unions and government agencies must work together to ensure the smooth running of economic affairs in African countries to remove bottlenecks that will affect negatively the growth and development of the continent.

vi. To accelerate Africa's development and counteract detrimental foreign policies, it is imperative that regional integration be bolstered.

vii. African nations must carefully analyze and plan to position themselves advantageously in the intricate and competitive global economic landscape, allowing for authentic economic aid to be received.

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