

Poverty in Taiwan: A profile in the new century

C.T. James Hsueh (薛承泰)

Professor, Department of Sociology, National Taiwan University
Former minister without portfolio
Former commissioner of social welfare Dept., Taipei City

1

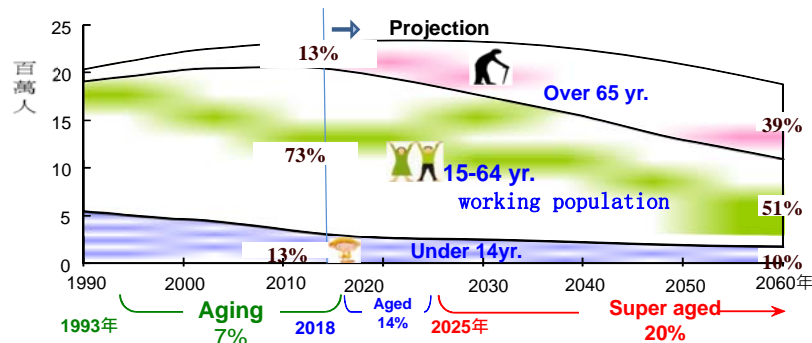
Outline

- The changes of household structure (living arrangement) in the new century
- The profile of poverty rates in Taiwan
- Examining the poverty of the special groups (the aged, female headed, one-parent family)
- The official poverty (low-income household)
- The anti-poverty program during Global Financial Crisis.
- Conclusions

2

The coming of an aged society (台灣於2018年3月進入老齡社會)

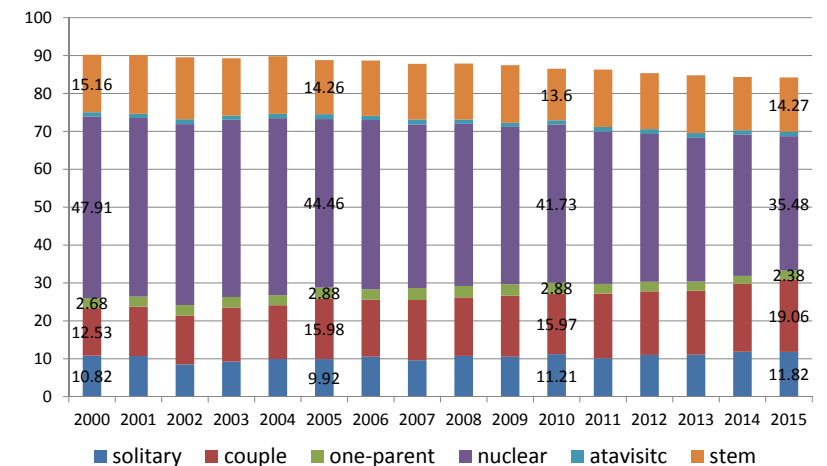
The percentage of people above 65 years old reached to 14% this year, so called an aged society. Up to 2026, it will reach 20%, Taiwan would become a super-aged society.



Source: 2016-2061 Taiwan population projection, NDC, the Republic of China(Taiwan)

3

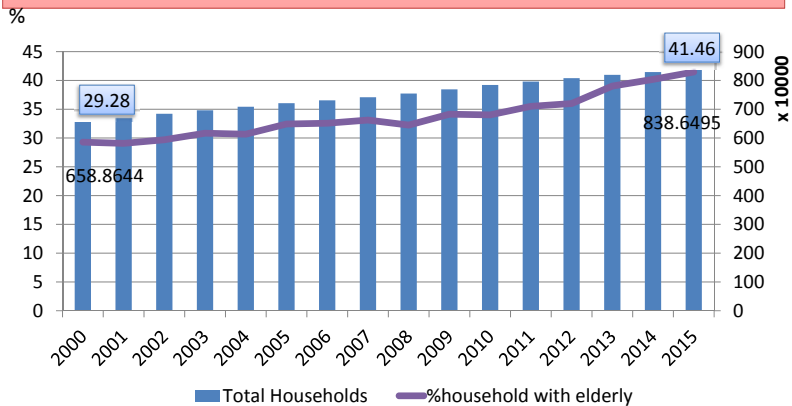
Household Structure in Taiwan (台灣的家戶結構) : 2000-2015



單人戶, 夫婦戶, 單親戶, 核心家庭, 隔代家庭, 主幹家庭

4

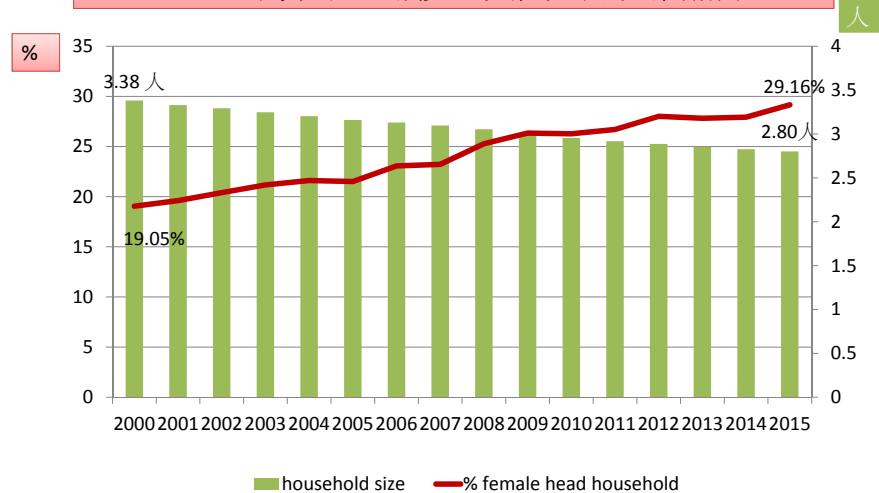
Increasing of households and households with the elderly (有65歲以上老人家戶增加快速，其中2015年單人戶有44%是老人，夫婦戶有61%是老人)



Total number of households increased from 6.6 million in 2000 to 8.4 million in 2015. households with the aged increased 12 percentages in the same period.

5

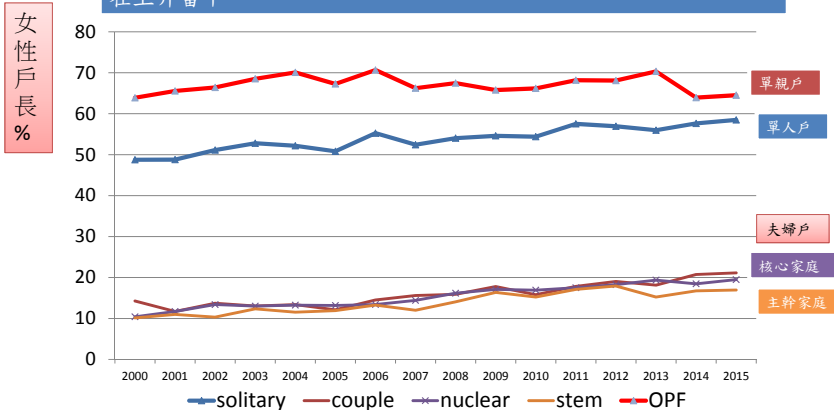
The trend of household size and female headed households (家戶人口減少，女性戶長不斷增加)



15年間女性戶長家戶增加10個百分點，家戶規模減少0.6人

The share of female headed household by household type (各類家戶的女性戶長占比)

1. 以單親家戶為最高(超過六成)，但趨勢較平穩。
2. 在單人戶中超過一半，趨勢上升至接近六成。
3. 其它3類(主幹家庭、核心家庭、夫婦戶)比例都在20%左右，也在上升當中。



The Measurement of Poverty

- According to the OECD Family Database, a poor household is defined as "a household with an equivalent disposable income less than 50% of the median of equivalent disposable income of national households".
- The "equivalent disposable income" refers to the family's disposable income adjusted by the square root of family members
- The data used for Taiwan was the survey of family income and expenditure.

8

Poverty rates: Profile in Taiwan

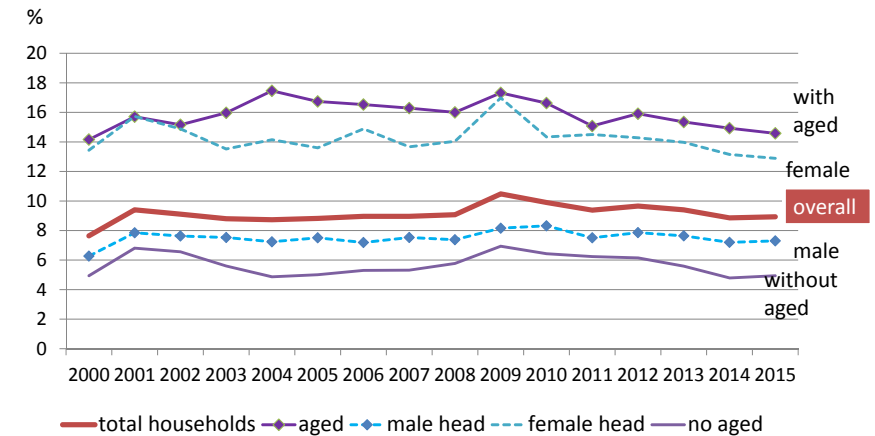
Economic depression

Poverty rate (%)	2000	2005	2010	2015
1. Overall household	7.64	8.82	9.9	8.93
2. Male headed households	6.27	7.51	8.32	7.3
3. Female headed households	13.44	13.6	14.34	12.89
4. Household with aged	14.16	16.74	16.63	14.58
5. Household without aged	4.94	5.01	6.43	4.94
6. Overall one-parent families	13.9	13.59	14.98	14.23
7. Single-father families	9.65	11.34	12.9	12.69
8. Single-mother families	16.29	14.69	16.04	15.08
9. Overall population	5.15	5.49	6.7	5.55
10. Elderly population	13.8	17.36	16.57	14.53

Source: Calculation based on the data from the survey of Family Income and expenditure, 2000-2015.

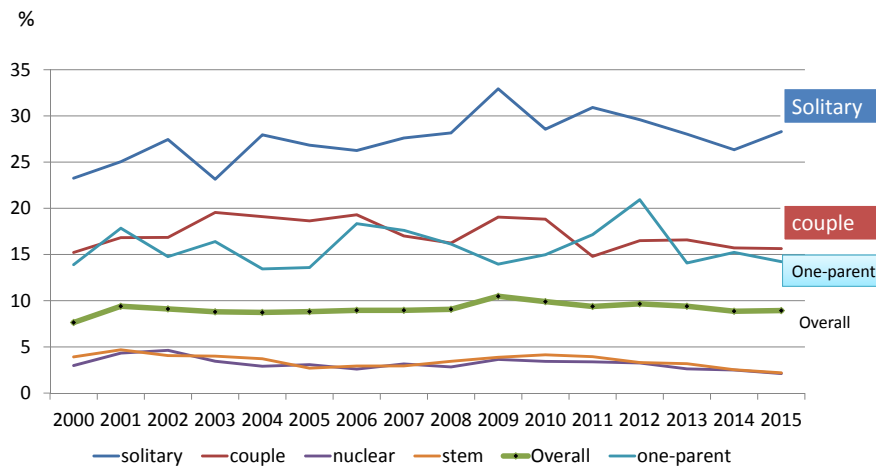
9

The poverty rate for households with/without aged and male/female headed households (有老人家戶與女性戶長家戶貧窮率較高)



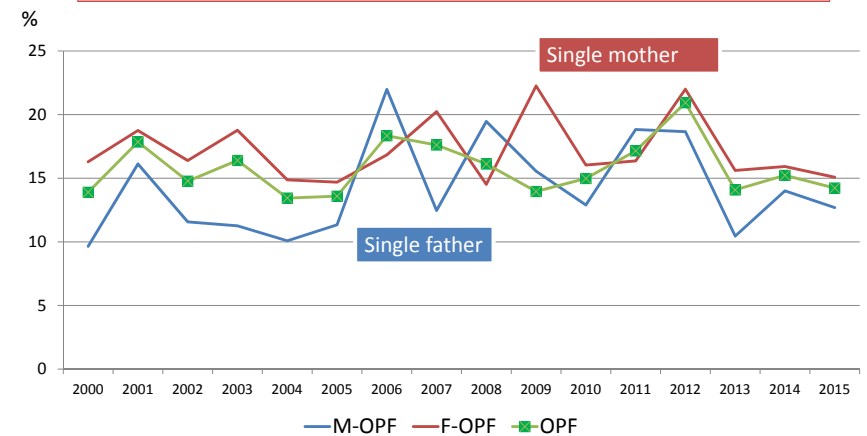
10

Poverty rate by household type (各類家戶的貧窮率)

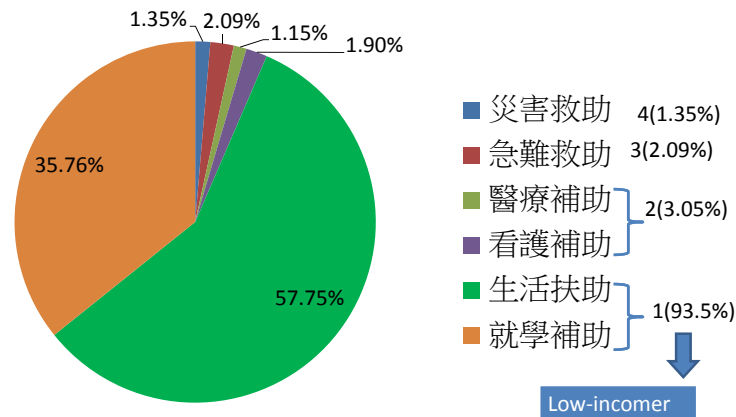


11

The poverty of one-parent family by gender (女單親戶的貧窮率16年當中有13個年份較男單親戶高)



Social Assistance Act: living support (1. 生活扶助), medical subsidies (2. 醫療補助), emergency (3. 急難救助) and disaster aid (4. 災害救助).



2016年社會救助總金額10,644百萬(NT\$)

13

The Low-income Household: regulated by Social Assistance Act (法定的低收入戶)

- The Social Assistance Act as amended in 2010 changed in the measurement method for the **Minimum Living Index** (hereafter MLI) and the incorporation of “medium-to-low income household” into the law.
- 2010年修訂社會救助法，改變「最低生活費」計算方式並增加「中低收入戶」的類別。

14

- The newly MLI is based on the standard announced by the Directorate General of Budget, Accounting and Statistics (DGBAS) as **60% of the median disposable income** (before 2011, as 60% of the average expenditure) per capita in the past year in the household’s local area.
- 「最低生活費」修訂前採平均消費支出的百分之六十，2010年改為可支配所得中位數的百分之六十。理由：1) 消費項目隨時代改變快速且項目繁多，2) 所得項目相對穩定且易於查核，3) 平均數易受極端值影響。

15

- **The entitlement of low income household** is based on that the average monthly income among household members fell below MLI, besides, there is another important regulation, that is, “the total **household assets** do not exceed the specific amount announced by the central and municipality competent authorities in the year of application.” Household assets include **real assets** and **liquid assets (savings)**.
- 除了平均每人所得需低於「最低生活費」之外，仍須審查家戶之「動產」與「不動產」。三個條件均符合才具備「低收入戶」資格。

16

- The MLI for Taipei City for instance is NT\$ 16,157. That is , any household registered in Taipei City whose average monthly income among household members fell below MLI, and average savings below **NT\$ 150,000 per capita** and real assets below **NT\$ 7.4 million** fit in the category of “low-income household.”
- 以台北市為例，「最低生活費」為16,157元，動產為平均每人15萬元，不動產為每戶7.4百萬元。三者皆低於該標準，才符合政府救助對象的「低收入戶」。

17

Monthly Minimum Living Index: 2012-2018

	臺灣省	臺北市	高雄市	新北市	臺中市	臺南市	桃園市
2012	10,244	14,794	11,890	11,832	10,303	10,244	-----
2013	10,244	14,794	11,890	11,832	11,066	10,244	-----
2014	10,869	14,794	11,890	12,439	11,860	10,869	-----
2015	10,869	14,794	12,485	12,840	11,860	10,869	12,821
2016	11,448	15,162	12,485	12,840	13,084	11,448	13,692
2017	11,448	15,544	12,941	13,700	13,084	11,448	13,692
2018	12,388	16,157	12,941	14,385	13,813	12,388	13,692

The improvement

- Before the law was revised, governments at all levels usually defined the “medium-to-low income” or the “economically underprivileged” by individual characteristic and with different criterion. (修法之前各級政府自行定義「經濟弱勢」，常被用來當作選舉支票)。
- Medium-to-low income stipulated in Article 4.1 of the new law as “the average monthly income among household members falls below the amount 1.5 times as much as the MLI. (「中低收入戶」資格，採「最低生活費」1.5倍為標準，動產與不動產資格也都較「低收入戶」寬鬆。)

19

- Besides, the new law incorporated new measures for helping people out of poverty e.g. 1) the first three years of income increase is not taken into account in the means test, 2) assets accumulation measures for the youth.
- 除原有加強輔導就業，補助低收入戶子女就學，以及醫療補助之外；新法對於準脫貧家戶三年內所增加的所得，不計入資產調查中，強化對第二代的資產累積（鼓勵儲蓄）。

20

Anti-poverty policy during economic recession: Subsidy for near poor families with full-time workers

- The year of 2008 was a year of instability in global economy. Crude oil surged to US\$ 147 per barrel in the first half of the year, followed by global inflation. Purchasing power of the wage class vaporized for at least 10% before the end of the first half.
- Why was "near poor families"? Because the poor families, low-income households in official term, have been well covered under the Social Assistance Act. Families at the borderline of poverty without social aids were highly vulnerable to inflation. Once they fell into difficulties resulted from economic recession, they were likely to fall into poverty.

Cherng-Tay Hsueh & Yu-Fang Chang (2016): Social welfare policies during global financial crisis: an example of social inclusion in Taiwan, Asia Pacific Journal of Social Work and Development, DOI: 10.1080/02185385.2016.1218362

22

- This program was aimed to subsidize **the near poor families with full-time employment** for six months in order to prevent them from becoming **working poor**.
- While this program was implemented, the global financial crisis hit the world market. A larger number of "near poor families" emerged due to layoffs or forced unpaid leaves. The government thus announced an extension of this program for another six months.
- The administrative offices allocated approximately 300,000 "near poor families" and provided a monthly subsidy of NT\$ 3,000 to 6,000 for six months.

- The Subsidy for Near-poor Families with Full-time Workers Program was a short-term program integrated **with the spirit of "workfare" and the need for "emergency aid" during a financial crisis**.
- The government took the **initiative** to help the "near poor families" suffering from the global financial crisis without complex and annoying application procedures and, of course, high administrative costs. This program brought government assistance to the families in need of the fastest way possible with relatively low administrative costs and more importantly, **welfare dependency was effectively prevented**.

23

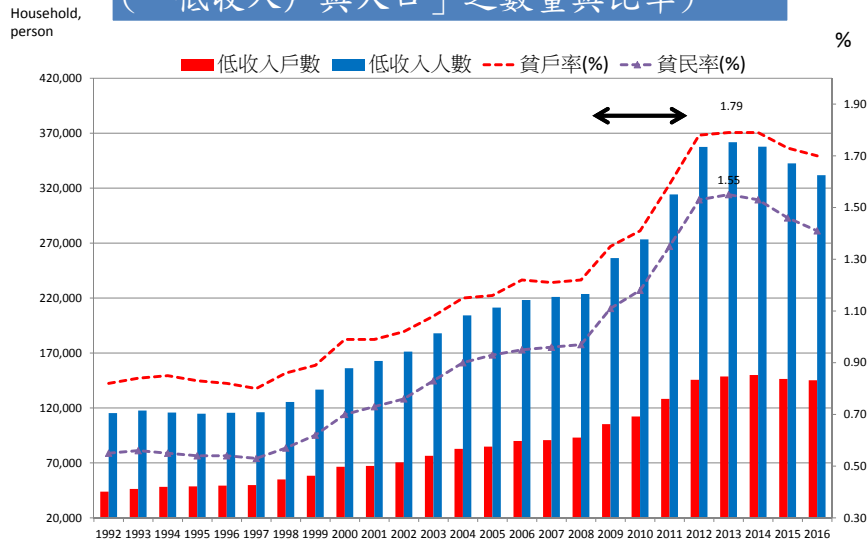
Low-Income households and population : 1991-2013

End of year	Low income households	As % of total households	Low income population	As % of total population
1991	42,665	0.82	116,225	0.56
2001	67,191	0.99	162,699	0.73
2002	70,417	1.02	171,200	0.76
2003	76,406	1.08	187,875	0.83
2004	82,783	1.15	204,216	0.90
2005	84,823	1.16	211,292	0.93
2006	89,902	1.22	218,151	0.95
2007	90,682	1.21	220,990	0.96
2008	93,032	1.22	223,697	0.97
2009	105,265	1.35	256,342	1.11
2010	112,200	1.41	273,361	1.18
2011	128,237	1.59	314,282	1.35
2012	145,613	1.78	357,446	1.53
2013	148,590	1.79	361,765	1.55

Source: Data from the website of Ministry of the Interior,
(<http://www.moi.gov.tw/stat/index.asp>)

24

The profile of Low Income Households (「低收入戶與人口」之數量與比率)



結論

- 台灣並沒有聯合國所定義的赤貧(每日生活費在1.9美元以下)。
- 貧窮率乃根據OECD的計算方式進行國際比較，政府以社會救助法對低收入戶進行規定。
- 採OECD貧窮率計算方式，臺灣貧窮率(採戶或人計算)均較OECD國家平均為低，但台灣老人貧窮率高過於OECD國家平均。持續增加的獨老應為政策考量重點。
- 老人有偏高的貧窮率，女性戶長家戶也相對偏高。女單親家庭也不例外，貧窮率明顯低於OECD的平均。
- 臺灣法定的「低收入戶」少(不及2%)乃因為住房擁有率高達85%，低收入戶其數量與比率於1998-2012年間呈現增加，主要是因為修法放寬資格以及金融海嘯的影響。
- 2008-2010年的金融海嘯，政府因應得宜(如近貧補助方案)，貧窮率與低收入戶均只呈現微幅成長，並於2012年之後即回穩。

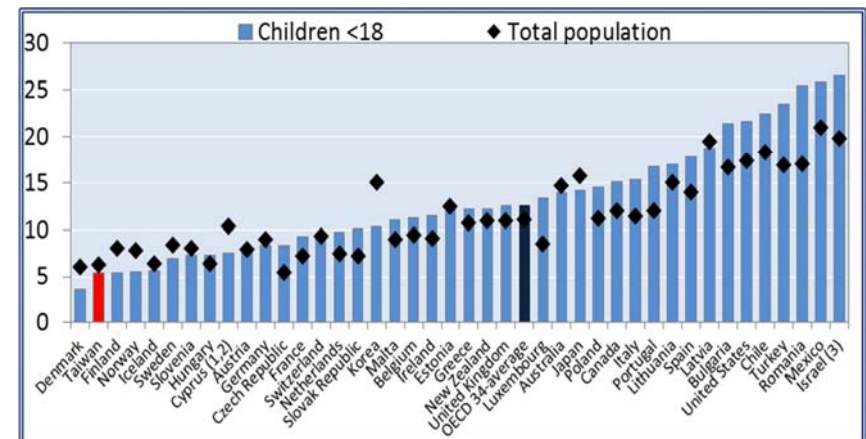
26

Conclusions

- No extreme poverty as UN defined in Taiwan.
- Compared with the average of OECD, the poverty rate in Taiwan was lower in many aspects. However, Poverty rates was higher for aged population (16.6%) compared with the average of OECD countries (12.7%) in 2010. The increasing lone elderly was the most economic vulnerable, and need for policy concern in Taiwan.
- In Taiwan, else of the elderly experienced higher poverty rates , the poverty rate of female-headed households was higher than their counterparts, single-mother family in particular. Compared with the average of OECD (31%), however, the poverty rate for single-mother family was lower in Taiwan (15%).
- Around 85% of households own their home. This results in the low rate of official low-income households in Taiwan. The increasing during 1998-2012 was mainly due to the revision of the Law.
- The increasing poverty rates during global financial crisis was soon offset by the anti-poverty policy (i.e. near poor policy).

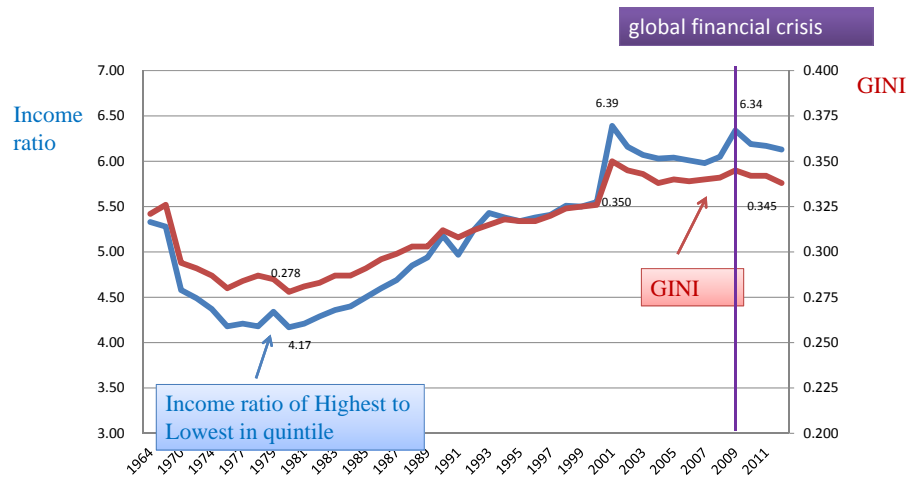
27

Poverty Rate in 2010: Taiwan and OECD countries



Relative Poverty Rate: Lower than a half of the Median Income of the overall households

Income Inequality in Taiwan: 1964-2012



THANK YOU !