

## Taiwan's Social Changes in the Patterns of Social Solidarity in the 20th Century

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The major task of this article is to investigate Taiwan's social changes in the 20th century. The focus is on the social rather than the economic and political dimensions, even though it is very difficult to prevent mentioning Taiwan's economic development miracle as well as recent political democratization. This article mainly discusses how economic and political structures affect social changes, and then explores some impacts of social changes in subsequent political transformation.

Social changes can be revealed in various dimensions of society, such as social stratification, population structure, religious beliefs, social movements, value systems and life-styles. This discussion concentrates on changes in the principles of social solidarity and the modes of social organization in Taiwan. There are several theoretical reasons for choosing to emphasize the social interaction issue. First, it is fundamental in exploring social changes in a society and has been widely discussed in sociological literature.<sup>1</sup> Sociologists are greatly concerned with how transformations such as industrialization, modernization and urbanization affect modes of social organization and how new social orders in industrial societies can be established by basing them on new types of social solidarity.<sup>2</sup> This article shares the concern of these theorists, but does not agree with their linear, dichotomous evolutionary model, which cannot appropriately explain both the process and direction of changes in the modes of Taiwan's social organization.

Secondly, Taiwan's special historical, cultural, economic and political conditions have generated a special, though not unique, pattern of transformation in social solidarity. Historically, Taiwan was an immigrant society, but most of its early immigrants were males. Therefore, social organizations based on blood relationships did not become dominant at the beginning of Han society. Instead, shared ethnicity (co-origin) or co-dialect of immigrants from the mainland performed an important role in connecting individuals. This continued until the late Qing dynasty, when blood relationships gradually became a vital principle for Han social organizations.<sup>3</sup> The characteristics of the immigrant society have made Taiwan experience a different pattern of transformation of social solidarity principles.

In the 20th century, Taiwan achieved momentous economic development in the early 1960s and the 1990s, and also political democratization

1. Emile Durkheim, *The Division of Labor* (New York: Macmillan, 1933); Talcott Parsons, *The Social System* (Glencoe: Free Press, 1951).

2. Durkheim, *The Division of Labor*.

3. Chen Chi-nan, "Shehui fenlei yishi yu tuzhuhua" ("Consciousness of social classification and indigenization"), in Chen Chi-nan, *Taiwan de chuantong Zhongguo shehui* (*Traditional Chinese Society in Taiwan*) (Taipei: Yunchen, 1991), pp. 91-126.

in the 1990s. From 1960 to 1980, Taiwan made significant economic achievements via export-oriented small or medium-sized enterprises, and changed its status to a newly industrialized country. Both economic and political restructurings in Taiwan began in the late 1980s. Technology-intensive industries such as computers and semi-conductors have become the leading industries, and democratization has also been consolidated to some extent. Taiwan is a very special case that can contribute to an understanding of how greatly transformation of economic and political structures can affect changes in the modes of social solidarity.

Finally, this article is interested in how changes in the modes of social organization affect continuous democratization, especially in the formation of a civil society in contemporary Taiwan. As stated by Putnam, whether democracy works or not depends on the crossover of memberships in voluntary associations, or in other words, affluent social capital.<sup>4</sup> This implies that traditional modes of social association can prevent the occurrence of a mature democracy. The most important issue regarding Taiwan's societal changes in the future should be the formation of appropriate social capital that can facilitate the emergence of a civil society.<sup>5</sup> Therefore, the relationships between the modes of social organization and democratization should be discussed.

In order to understand the historical continuity of social structures in the 20th century, the principles of social solidarity in traditional Taiwanese society are first portrayed. The subsequent section discusses the principles of social organization during the Japanese occupation and the Kuomintang authoritarian regime, and investigates why the traditional principles persisted in both periods. Lastly, some empirical findings about changes in the social solidarity principles and explanations on why they occurred after 1987 are presented.

### *The Basic Principles of Social Solidarity in Taiwan*

The basic principles of social organization in Taiwan can be conceptualized in various ways. Following the structural functional theories, Chen Shao-hsin alleges that blood relationships are prevalent in early tribal societies, co-residential relationships are dominant in subsequent folk societies, and functional relationships are prevalent in industrial or civil societies.<sup>6</sup> From this perspective, the sequence of social evolution in the principles of social organization begins with blood relationships, changes to local relationships and finally shifts towards social functional relation-

4. Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: University of Princeton Press, 1993).

5. In every different stage of Taiwan's history, there were some prototypes of civil organizations, but they were not able to facilitate the emergence of a civil society. I will argue that the authoritarian regimes in these stages prevented the formation of self-governed and self-initiated civil societies.

6. Chen Shao-hsin, *Taiwan de renkou bianqian yu shehui bianqian (Population Changes and Social Changes in Taiwan)* (Taipei: Lianjing, 1979), pp. 495–510. His discussion covers the period from the Qing Dynasty to the early 1960s.

ships. However, Taiwan does not follow this theoretical sequence because of its particular historical background.

Chen Chi-nan argues that Taiwan was an immigrant society in the early Qing dynasty and new residents in the frontier organized their social organizations essentially along the lines of ethnicity (co-origin).<sup>7</sup> It took about a century for those immigrants to reproduce sufficiently to develop large-scale families and to create lineage groups. Taiwanese society is different from most overseas Chinese societies in South-East Asia in terms of social solidarity principles and the modes of social organization. Although ethnicity (co-origin) in mainland China was a crucial factor influencing social integration among Taiwanese in the early Qing dynasty,<sup>8</sup> it was largely replaced after 1865 by co-residence, folk music interests or common religious beliefs. In addition, the worship of ancestors from mainland China was gradually replaced by worship of the first generation of immigrants to Taiwan. These two characteristics have shifted Taiwanese society from an immigrant to a native society.

In this indigenization process, the suggested sequence of change in the modes of social organization in the 19th century in Taiwan would be from co-origin to blood relationships and finally to general local relations, although the path of evolution is more complicated than this. The principles of shared surname, origin, lineage and religious belief coexist in Taiwanese local societies, and there is no single dominant principle. The following questions then arise: how do the social solidarity principles structure local societies, and what will be the characteristics of social interaction in these societies?

Social organizations in Taiwanese local societies were primarily based on blood relationships or quasi-blood relationships in the late Qing dynasty. This is a natural choice, since the family is the core structure in Chinese society and blood relationships are the most significant principle of social organizations.<sup>9</sup> Although anthropological literature points out that the existence of lineage groups is usually affected by the presence of corporate property or ancestor worship,<sup>10</sup> lineage groups are common local organizational bases in rural areas in Taiwan. Some studies have demonstrated that clan groups appeared before lineage groups in the 19th century because the expansion of the latter requires large family size.<sup>11</sup> It is very difficult for an immigrant society like Taiwan to develop lineage

7. Chen Chi-nan, "Consciousness of social classification and indigenization."

8. *Ibid.*; Lawrence W. Crissman, "The structure of local and regional systems," in Emily Martin Ahern and Hill Gates (eds.), *The Anthropology of Taiwanese Society* (Stanford: Stanford University Press, 1981), pp. 89–124. Some scholars emphasize dialect as a major base for overseas Chinese to establish social solidarity. I intend to treat the principle of dialect as being the same as the principle of co-origin because these two greatly overlap.

9. Lin Nan, "Chinese family structure and Chinese society," *Bulletin of the Institute of Ethnology, Academia Sinica*, No. 65 (1988), pp. 59–129.

10. Stevan Harrell, "Social organization in Hai-Shan," in Ahern and Gates, *The Anthropology of Taiwanese Society*, p. 146; Chuang Ying-Chang, *Family and Marriage: Hokkien and Hakka Villages in North Taiwan* (Taipei: Institute of Ethnology, Academia Sinica, 1994), p. 6.

11. Chuang highlights the difference in the sequence of the emergence of lineage groups and clan groups between Hokkien and Hakka villages.

groups from the very beginning; therefore, another strategy is to employ quasi-blood relationships (surname connections) in forming social organizations. One of the purposes of building clan groups is for ancestor worship, but another important practical purpose is to form self-defence organizations.

According to some anthropological fieldwork and sociological analyses, villages or basic local units dominated by one or two surnames are very common.<sup>12</sup> In these villages, broader social structures establish their base on the family, then extend to clan or lineage groups, to local groups, and finally to large societal groups. Since social organizations are based on blood relationships or quasi-blood relationships to some extent, the status of group members is determined by their position in lineage maps as well as the degree of closeness of blood relationships. Male household leaders are located at the centre, those who have close blood ties in the surrounding positions, and the remainder in more distant positions. Those in the centre have the most power and resources, and they will treat other members with different degrees of favouritism and nepotism according to their positions. This kind of social structure is similar to that in other Chinese societies and displays the type of concentric circle pattern that was mentioned by Fei Hsiao-Tung as the differential hierarchical structure (Chaxugeju).<sup>13</sup>

Blood relationships, however, are not sufficient to establish and maintain the social solidarity in some villages – and certainly not in larger social units such as townships or counties – and to create large-scale social organizations. Therefore, an alternate mechanism is based on further extension of territory-based relationships such as co-residence, religious belief, folk music interest or class background.<sup>14</sup>

Within this mechanism, people are linked together by the social interaction of living together in local communities rather than solely by blood relationships.<sup>15</sup> The most frequently mentioned principle is folk religious belief because this is essential for most Taiwanese and religious activities are regularly and collectively practised. According to the literature, folk religious organizations (Jishiquan) roughly include four different levels: neighbourhood, village, cross-village and township. Generally speaking, small-scale religious organizations are based on gods affiliated with given surnames or places of origin, while large-scale versions have a broader base and are able to integrate different clan or ethnic groups in a large geographical space such as townships.<sup>16</sup> Bounded

12. Chen Shao-hsin, *Population Changes and Social Changes in Taiwan*, p. 463; Crissman, "The structure of local and regional systems," p. 96.

13. Fei Hsiao-Tung, *Peasant Life in China* (London: Routledge & Kegan, 1948).

14. In its very narrow scope, locality principle is co-residence, but living in the same place has become embedded in previous social relations as well as produced new social relations. Both of them combine with co-residence to build new types of social solidarity because traditional societies are highly territory-bounded. Therefore, general locality principles are predominant in organizing social groups.

15. Crissman, "The structure of local and regional systems," p. 93.

16. Wang Shih-ching, "Minjian xinyang zai butong zuji yimin de xiangcun zhi lishi" ("Historical development of folk religion among different ethnic groups in Shu-lin"),

religious organizations encompass the functions of self-defence against invaders and conflict resolution among members.<sup>17</sup> Furthermore, the geographic boundaries of such organizations are very clear, and only those who live inside can share worship obligations and greetings. In most cases, folk religious belief needs to operate in tandem with co-residence experience in building local social organizations.

However, most literature does not emphasize how the common experiences of economic activity craft social solidarity among people living or working together. This is the issue especially highlighted by Marxists. Stevan Harrell compared four villages in the Hai-shan area and found that social solidarity was stronger in the two class-homogeneous villages than in the remaining areas.<sup>18</sup> His findings also suggest that social interaction among members in a social organization is very important in maintaining solidarity. Without continuous collective action against landlord groups, tenants in the two villages would not be able to establish strong solidarity within local organizations. Co-residence alone is apparently not sufficient to establish village-wide social organizations; it needs to work together with the dynamic of class status. Homogeneity of economic status in a local community indicates the mutual penetration of social and economic systems. But economics in this period consisted primarily of a type of peasant economy, and economic activities were highly territory-bound. It could be argued that common economic experiences were essentially geographically limited. Therefore, the social solidarity derived from common local economic experience was still very person-oriented and particularistic.

The major failure of the structural theories is to assume that only structural conditions will determine the type and content of a social organization, while overlooking the formation of social solidarity – not only formation of the organization itself – as a continuous process of social construction. Cases of armed conflict among different ethnic groups or tenant–landlord conflict show that the interaction between an out-group and an in-group is a very important factor in facilitating social solidarity. A folk religious organization, on the other hand, while not centred around inside–outside group conflict, does require routine religious activities such as annual festivals to maintain its existence. Essentially, continuous social interaction among members of a group or between groups is a crucial condition for social organization maintenance.

Therefore, social organizations beyond villages could be developed from blood relationships to territory-based relationships. However, the

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in Wang Shih-ching, *Qingdai Taiwan shehui jingji (Taiwan's Social Economy in the Qing Dynasty)* (Taipei: Lien-Chieng, 1994), pp. 295–372; Lin Mei-rong, “The religious sphere as a form of local organization: a case study from Tsao-tun township,” *Bulletin of the Institute of Ethnology, Academia Sinica*, No. 62 (1987), pp. 53–114.

17. Some folk religious organizations that have no clear geographic boundary are called *xinyangquan*. They primarily serve for religious purposes and not too much for organizational purposes.

18. Harrell, “Social organization in Hai-shan.”

structures of social organizations based on these two sets of principles are very similar to the differential hierarchical structure, and the interaction rules are also close to traditional pattern variables identified by Talcott Parsons.<sup>19</sup> Participation in these social organizations is highly restricted, and the modes of social interaction inside and outside the groups are apparently differentiated. Strangers cannot join either a lineage group or a clan group because of the lack of a blood relationship, while local organizations exclude outsiders owing to the lack of common experiences.<sup>20</sup> Within a local organization, the strength of shared experience is highest among the members at the central positions and then declines gradually through the peripheral positions.

It seems that the social structure of Taiwanese society is very clear and can be directly characterized by the differential hierarchical structure. This is maintained by *guanxi* (personal relationships) but not by legal obligations or formal sanctions.<sup>21</sup> As Wang Sung-hsing points out, Chinese societies have *guanxi* without having organizations.<sup>22</sup> The main implication of this is that Chinese social organizations are essentially formed by personal rather than by formally defined relationships. Following this implication, it can be argued that formal social organizations are created with great difficulty; therefore, the principles of functional association face serious obstacles in replacing the traditional principles of social solidarity in contemporary Taiwanese society.

Since the differential hierarchical structure is fundamentally based on either blood relationships or territory-based relationships, people can be clearly categorized into insiders and outsiders.<sup>23</sup> Important problems are: where is the boundary to distinguish the insiders from the outsiders, and is there any possibility for an outsider to become an insider and if so, how? The first question is concerned with how people interact with strangers, while the second concerns the degree of exclusion of the structure.

If the demarcation in the structure is steadfast, which means every outsider needs to become an insider before any meaningful social interaction occurs, then Taiwanese society may be very factionalized and the social structure will become dichotomous (that is, a strong in-group carelessness of the outside world). This boundary distinguishes the private and the public sphere in the society. Since people usually encounter strangers in urban areas, the structure of personal networks can be

19. Parsons, "The social system," p. 60.

20. These common experiences are called the logic of Tungism. This logic suggests that commonalities, such as co-origin or being classmates or colleagues, are necessary to create social ties among social actors.

21. Lin Nan, "Chinese family structure and Chinese society."

22. Wang Sung-hsing, "Hanren de jiazou zhi: shilun (you guanxi wu zuzhi) de shehui" ("Han family institutions: a preliminary discussion on a society with relations but without organizations"), in *Dierjie guoji hanxue huiyi lunwenji (Proceedings of the International Han Study Conference (II))* (Taipei: Academia Sinica, 1989); Crissman, "The structure of local and regional systems" p. 90.

23. Lin Nan, "Chinese family structure and Chinese society," p. 89.

investigated in urban residents.<sup>24</sup> The intensity of urban residents' interaction with their parents, siblings and friends, except neighbours, is as strong as that of rural residents, but urban residents have very few social interactions with strangers. For urban residents, the structure of the personal network clearly demonstrates the private inner circle and the public outside circle.<sup>25</sup>

Urban residents are more likely than rural residents to become cynical about strangers because they do not trust too much in those who are located in the public sphere,<sup>26</sup> although they are usually careless and tolerant of strangers. The development of these attitudes is not because of open-mindedness but rather from indifference.<sup>27</sup> The urban differential hierarchical structure might not be very similar to that in rural areas. However, *guanxi*-ism as an ideology is prevalent in both. Without personal relationships, strangers are not trusted and will be treated with indifference. Although the differential hierarchical structure might not be very significant as a social structure in urban areas, its importance as a value system in shaping urban residents' behaviour and attitude hardly differs from its rural counterpart.

As to whether an outsider can become an insider, scholars have proposed different arguments about the extent to which changes are possible. Hwang Kwang-kuo distinguishes three types of social ties, instrumental, mixed and expressive ties.<sup>28</sup> In most cases, strangers establish instrumental ties with others, and they interact with each other according to equity rule. Members of a lineage group based on expressive ties interact with each other according to the need rule. Those who have personal relationships will depend on the equality rule of social interaction. There are various strategies for people to transform instrumental to mixed ties. However, they cannot convert them into expressive ties because of the lack of a blood relationship. Through familiarity as well as the creation of quasi-familial ties, outsiders can eventually become insiders in the differential hierarchical structure, and will be treated with favour.<sup>29</sup> But they have very limited opportunities to occupy central positions in the hierarchical structure.

24. Since my discussion about the differential hierarchical structure relies heavily on anthropological study in rural areas, I have to show the similarity of social structures between urban and rural areas. The minor purpose of the following discussion is to fulfil this goal.

25. Fu Yang-chih, "Social-psychological characteristics of urbanites: the public and private realms," *Chinese Journal of Sociology*, No. 18 (1995), pp. 17–73.

26. This argument does not suggest that rural residents give up the differential hierarchical structure. On the one hand, rural people might not develop too much negative attitude towards strangers, but outsiders are still treated differentially in social interaction. On the other hand, the distinction between the private and public sphere is not so obvious, so rural people do not separate acquaintances and strangers clearly.

27. Fu Yang-chih, "Dushizhong de geren" ("Individuals in the urban society"), in Tsai Yung-mei and Chang Ying-hua (eds.), *Taiwan de dushi shehui (The Taiwanese Urban Society)* (Taipei: Ju-liu, 1997), pp. 160–189.

28. Hwang Kwan-kuo, "Face and favor: the Chinese power game," *American Journal of Sociology*, Vol. 92, No. 4 (1987), pp. 944–974.

29. Chen Chieh-hsuan and Kao Cheng-shu, "Taiwan qiye yunzuo de yunzuo de shehui zhixu: renqing guanxi yu falü" ("The operational logic of Taiwanese business organizations: relations and law"), *Donghai xuebao*, No. 32 (1991), pp. 219–232.

However, other arguments propose that the differential hierarchical structure will be revised when outsiders are involved. The modified social structure determines the position of strangers according not only to personal relationships but also to loyalty and competence.<sup>30</sup> For example, an outside employee in a family enterprise with these characteristics will be able to move into a very inner and trusted position in the boss's network. It is very doubtful that these different kinds of characteristics can be coalesced smoothly in defining the differential hierarchical structure because they operate with different rules that are essentially contradictory.<sup>31</sup> In Taiwan, competent, loyal and trustworthy employees in a family enterprise who are not members of the owner's family find it almost impossible to become the chief executive. This illustrates that outsiders can be incorporated into the middle or peripheral positions in the differential hierarchical structure but that movement into the inner circle is highly restricted.

Hence Taiwan as an immigrant society demonstrated special changing patterns in its modes of social organization in the early period. First of all, massive numbers of immigrants resulted in a pattern of social organization originally based on co-origin solidarity that is very similar to that in South-East Asian Chinese societies. However, different from them, Taiwanese society separated from China to a great extent later on and has become a native society. In the indigenization process, the mode of original association has been gradually transformed into the co-residential mode, and the nature of blood relationships has also been shifted from mainland to Taiwanese lineages.

Finally, the formation of social solidarity depends on the two major principles of social organization, which are blood relationships and territory-based relationships. The principle of locality actually combines with various modes of social solidarity, including religious belief, surname and class background, to form community-wide social organizations. Most literature focuses on the importance of co-residence, surnames and religious belief as the bases on which to craft social solidarity, but underestimates the significance of economic activities. In addition, social organizations should be considered as involving continuous social construction in which interaction among people is required to maintain as well as to transform extant solidarity. Structural conditions themselves are not sufficient to produce social solidarity.

#### *Social Solidarity Principles During the 20th Century*

In the 20th century, does the differential hierarchical structure based on both blood relationships and locality relationships continue to function as a crucial principle of Taiwanese social organizations? This section first

30. Chen Po-hsun, "Chaxu geju yu huaren zuzhi xingwei" ("The differential hierarchical structure and Chinese organizational behaviours"), *Bentu xinlixue yanjiu (Indigenous Psychological Research in Chinese Societies)*, No. 3 (1995), pp. 142–219.

31. Hwang Kwang-kuo, "Face and favor."



inquires into the degree of the structure's dominance in the different periods of the 20th century: the Japanese occupation (1895–1945), the Kuomintang authoritarian regime (1946–87), and the Democratic period (1988–present).<sup>32</sup> Dominance can be demonstrated by both the penetration of either the family or the differential structure into other systems and the ineffectiveness of important voluntary associations.<sup>33</sup> The discussion focuses on the prevalence of family enterprises in the economy and local political factions in politics. Secondly, it considers some factors influencing the persistence of traditional principles of social organization.

During the period of Japanese occupation, it can be argued that family was still the most important structural foundation and the major principles of social organization were blood relationships and local relationships. However, Chen points out that the Japanese colonial government rigidly controlled Taiwanese society by using administrative units, thereby decreasing the functions and influence of family as well as lineage institutions.<sup>34</sup> This argument incorrectly assumes that the increase of bureaucratic control by the government necessarily replaced the function of family and locality groups. In order to maintain its power, the Japanese colonial government implemented tight control over Taiwanese society and eradicated most formal voluntary associations in which citizens participated. The lack of agents between local societies and the colonial state made operation of everyday life problematic; therefore, the colonial government chose as middlemen the local gentry instead of formal political organizations. Taiwanese society was subordinated to the colonial government so that people could not organize themselves and establish effective civil organizations. In the political domain, most power was controlled by the Japanese bureaucrats and armed forces; only a very limited amount was shared by local political elites, and none was held by ordinary citizens. Local political elites, who were highly provincial as well as person-oriented, originated mainly from the different families of the gentry, landlords or wealthy commercial classes.<sup>35</sup>

Politically, there were few formal political organizations, except those underground. Underground entities during this period included the Taiwanese Community Party and the Taiwanese People Party.<sup>36</sup> Among self-organized associations, cultural associations and unions were signifi-

32. The principle for this historical division is based on the ruling periods of different regimes. This is a descriptive division as well as an analytical one, because I will focus on how political intervention by these regimes affected changes in the principles of social solidarity. In Taiwan, it seems to me that institutional arrangements established by the political regimes critically influenced patterns of social interaction among ordinary people.

33. Lin Nan, "Chinese family structure and Chinese society," pp. 92–102.

34. Chen Shao-hsin, *Population Changes and Social Changes in Taiwan*, pp. 447–465.

35. Li Hsiao-fueng, *Taiwan zhanhou chuqi de minyi daibiao (Elected Elites in Taiwan after 1945)* (Taipei: Zili wanbao, 1993); Wu Wen-hsing, *Taiwan shehui lingdao jieceng zhi yanjiu (The Study of Taiwanese Social Elites during the Period of Japanese Occupation)* (Taipei: Zheng zhong Book Co., Ltd., 1992).

36. Chien Chiung-jen, *Taiwan Minzhongdang (The Taiwanese People Party)* (Taipei: Daoxiang Publishing House, 1991).

cant, but severe intervention from the Japanese government, continuous internal conflicts and limited public participation resulted in their demise.<sup>37</sup> Labour unions, for example, included about 9,000 members (1.5 per cent of total workers) in 1929, but the numbers of both unions and members declined annually. Since labour unions were the most important type of voluntary organization in the period, the fact that they failed to become a driving force in crafting civil societies resulted in civil voluntary associations not contributing significantly to transformation of the principles of social solidarity.

In 1935, the colonial government began local elections with single, non-transferable voting under the multi-member district system to co-opt opposition leaders and some local elites into the political machine.<sup>38</sup> Within this system, those who owned a group of loyal supporters in the election district were more likely to win than those who did not.<sup>39</sup> As a consequence, these elites and their followers tended to become further territory-bound and eventually factionalized.

In the economic domain, the Japanese government controlled all the savings and loan institutions such as banks and credit unions. The savings of Taiwanese people were under the tight control of the Japanese government, and loans would only be granted to Japanese enterprises, not to Taiwanese enterprises.<sup>40</sup> The latter's limited access to financial capital resulted in the pervasiveness of capital collection through rotation credit clubs and family or friends' loans, and also impeded their expansion. Hence, personal relations were the most important assets for Taiwanese in acquiring economic resources. As a result, family enterprises became dominant in formal economic activities in the Japanese occupation era.

After this period, the differential hierarchical structure still played an important role in shaping various economic and political activities in Taiwan from 1946 to 1987. It was true that family enterprises and local factions still prevailed in the economic and political domains respectively. In the 1980s, the proportions of small or medium-sized enterprises varied from 82 per cent to 42 per cent according to the type

37. Weng Chia-yin, *Taiwan shehui yundongshi: laogong yundong yu youpai yundong* (*History of the Taiwanese Social Movements: Labour Movements and Right-Wing Movements*) (Taipei: Daoxiang Publishing House, 1992), pp. 28–35; Lien Wen-ching, *Taiwan zhengzhi yundongshi* (*History of the Taiwanese Political Movements*) (Taipei: Daoxiang Publishing House, 1988).

38. Chen Ming-tung and Lin Chi-wen, "Taiwan difang xuanju de qiyuan yu guojia shehui guanxi zhuanbian" ("The origin of local elections in Taiwan and transformation in relations between the state and the society"), in Chen Ming-tung and Cheng Yung-nien (eds.), *Liangan jiceng xuanju yu zhengzhi shehui bianqian* (*Local Elections and Political-Social Changes across the Taiwan Strait*) (Taipei: Yuedan, 1998), pp. 23–64.

39. Mark Ramseyer and Frances M. Rosenbluth, *Japan's Political Marketplace* (Cambridge, MA: Harvard University Press, 1993).

40. Lin Pao-an, "Riju Shiqi Taiwan xe xinyong zuhe yu difang shehui" ("Credit unions and local societies in Taiwan during the period of Japanese occupation"), *Taiwan yinhang qikan* (*Quarterly of Taiwan Bank*), Vol. 44, No. 3 (1993), pp. 81–100.

of industry.<sup>41</sup> About 45 per cent of the top 1,000 companies in Taiwan were family enterprises in 1987.<sup>42</sup>

In the period of the Kuomintang authoritarian state, the sources of formal financial access for Taiwanese small or medium-sized businesses were still highly restricted. These businesses continued to rely on personal ties to bring financial capital together.<sup>43</sup> Ka Chih-Ming's study showed that venture capital for small enterprises in Wu-fen-pu came mostly from owners' immediate families (about 60 per cent) and that loans from kinship members were the secondary source. Moreover, production technology and out-sourcing orders were also mainly from primary group connections.<sup>44</sup>

The prevalence of local factions in the political domain has been documented by several studies in this period.<sup>45</sup> In the 1980s, 213 out of 275 townships (about 78 per cent) had local factions, and 166 townships had serious competition among local factions. Also, 13 out of 21 counties (about 62 per cent) had local factions.<sup>46</sup> In general, members of local factions have a higher possibility of being nominated in elections and are more likely to win elections.<sup>47</sup> As a result, they are able to manipulate local politics and also possess a monopoly on economic rent.

Since the institution of local elections had sustained single, non-transferable voting under the multi-member district system, local factions continued to consolidate their power in local politics through different levels of local elections. The control of other possible actors in public affairs, such as self-initiated civil organizations, also contributed to the dominance of local factions. By 1984, the total number of nation-wide and provincial voluntary associations was about 5,200, becoming 6,100 by 1988 and about 12,000 by 1996.<sup>48</sup> Only about 8 per cent of Taiwanese became members of local associations in 1919 while about 23 per cent

41. Chen Ming-chang, *Qiye shengji zhi jingying guanli (Management in Enterprise's Development)* (Taipei: Lianjing, 1985), pp. 83–85.

42. Peng Huai-Chen, *Taiwan qiye zhu de guanxi jige zhuanbian: yige shehuixue de fenxi (Taiwanese Entrepreneurs' Personal Relations and Their Transformations)* (Taichung: Donghai University, Ph.D. dissertation, 1989), p. 42.

43. Chen Hsuan-chieh, *Xieli wangluo yu shenghuo jiegou: Taiwan zhongxia qiye de shehui fenxi (Production Networks and Everyday Life Structure)* (Taipei: Lianjing, 1994), p. 79.

44. Ka Chih-Ming, *Market, Social Networks, and the Production Organization of Small Scale Industry in Taiwan: The Garment Industries in Wu-fen-pu* (Taipei: Institute of Ethnology, Academia Sinica, 1993), p. 48.

45. Crissman, "The structure of local and regional systems," p. 109.

46. Tsai Ming-hui, *Taiwan xiangzhen paixi yu zhengzhi bianqian (Local Factions of Townships and Political Changes in Taiwan)* (Taipei: Hongye, 1998).

47. Chen Ming-tung and Chu Yun-han, "Quyuxing lianhe duzhan jingji yu shengyiyuan xuanju yixiang shengyiyuan houxuanren beijing ziliao de fenxi" ("Regional monopoly economic rents, local factions and Taiwan provincial councilmen election"), *Guojia kexue weiyuanhui yanjiu huikan renwen ji shehui kexue (Proceedings of the National Science Council: Humanities and Social Sciences)*, Vol. 2, No. 1 (1992), pp. 77–97.

48. Chiu Hei-yuan, "Jieshe ziyou, tuanti canyu yu minzhu" ("Freedom of association, public participation and democracy"), paper presented in Conference of Freedom, Equity and Social Justice (Taipei: Caituanfaren jinian Yin Hai-guang xueshu jijinhui, 1999), pp. 1–28.

joined voluntary associations in 1998.<sup>49</sup> A rapid increase in participation in civil associations apparently occurred only after the state emergency was lifted.<sup>50</sup> Hence, opportunities to change the traditional patterns of participation in public affairs did not expand during the period of the Kuomintang authoritarian regime.

There is thus a similarity between the Japanese colonial government and the Kuomintang government in weakening Taiwanese civil society to maintain their respective hegemonies. Economically, neither government provided the systematic institutional arrangements for Taiwanese people to develop their businesses. People had to find their financial, technological and marketing resources from their family members or close friends, and this situation further reinforced the differential hierarchical structure as a basic economic form, just as in the peasant society.

Politically, few formal political organizations were allowed to be established. Police forces were employed to control societal sectors forcefully and to establish harmonious social order. The Japanese colonial government and the Kuomintang government apparently purposely prevented voluntary associations because people-organized groups had the potential to become anti-government forces. Top-down management of the social order blocked the possibility of various types of ordinary social interaction and the establishment of voluntary associations among Taiwanese. Self-initiated institutions to participate in and reform local politics were obstructed. As a result, patronage became a basic logic of operation in local politics.

There are different approaches to explain why blood relationships and territory-based relationships became the central social solidarity principles in Taiwan's society during those two periods. The most popular explanation is offered by cultural approaches. For example, Nan Lin argues that ancestor worship leads to the dominant status of either the family or the differential hierarchical structure in Chinese societies.<sup>51</sup> A cultural explanation has its privilege because values as well as ideologies are very difficult to change within a short period. However, the persistence and the broadness of these values make any argument about cultural factors as a major changing force hard to prove.

Alternatively, there is a popular evolutionary theory to explain the successive importance of blood relationships then locality relationships in these two periods. In its simplest form, the theory suggests that the lack of social differentiation results in the differential hierarchical structure becoming an important mode of organization in traditional societies. Even though the Japanese colonial government intentionally modernized

49. Chen Shao-hsin, *Population Changes and Social Changes in Taiwan*, p. 508; Chiu Hei-yuan, *Taiwan shehui bianqian jiben diaocha jihua (Basic Survey of Social Changes in Taiwan)* (Taipei: Institute of Sociology, Academia Sinica, 1999), p. 218.

50. Ku Chung-hwa, "Gongmin jieshe de jiegou bianqian yi Taiwan feijingli zuzhi de fazhan weili" ("The structural transformation of civic association and the development of NPOs in Taiwan"), *Taiwan shehui yanjiu jikan (Taiwan: A Radical Quarterly in Social Studies)*, No. 36, pp. 127–130.

51. Lin Nan, "Chinese family structure and Chinese society."

Taiwanese traditional society, why could kinship-based and territory-based relationships still be the crucial bases on which to build social organizations? The approach in this article employs the idea of historical institutionalism, which may provide a useful framework for solving the puzzle.<sup>52</sup>

Contrary to both cultural and evolutionary approaches, this argument points out that the prevalence of the differential hierarchical structure and the family structure in other societal domains is not the result strictly of dominant familial values or limited social differentiation but rather the lack of institutional substitutes. Invention of new institutional replacements is highly related to the states' strategies of authority maintenance. Although the Japanese colonial government had modernized Taiwan's transportation, public health and bureaucratic systems, it purposely contained Taiwanese economic and political activities in an informal way. The situation was the same under the Kuomintang authoritarian regime. In both periods, Taiwan experienced modernization without transformation of the traditional modes of social solidarity or emancipation of civil society.

Power struggles between the authoritarian state and the subordinate public led to the innovation of new institutional arrangements such as single, non-transferable voting under the multi-member district system to co-opt Taiwanese elites and their followers, and to maintain their political legitimacy in the two periods. Even though the local election institution had served to contain challenges from the society for a very long period, it also unintentionally created structures that gave opposition groups opportunities to develop a new party in the 1990s.<sup>53</sup> Asymmetrical distribution of political power made bottom-up institutional innovation for social organizations and public affairs participation almost impossible from the 1900s to the 1970s. Therefore, most social interactions still depended on primary ties and particularistic principles.

#### *Changes in Social Solidarity Principles and the Development of Civil Society*

This section investigates changes in the principles of social organization. What are the factors contributing to these changes? What will be their impact on the emergence of civil society? Following Chen's classification of social associations,<sup>54</sup> it is found that the percentages of adult respondents participating in organizations based on blood relationships (surname), locality and social functions were 4.7, 1.4 and 39.4 per

52. Kathleen Thelen and Sven Steinmo, "Historical institutionalism in comparative politics," in Sven Steinmo, Kathleen Thelen and Frank Longstreth (eds.), *Structuring Politics: Historical Institutionalism in Comparative Analysis* (New York: Cambridge University Press, 1992), pp. 1–32.

53. Lin Chia-lung, "Paths to democracy: Taiwan in comparative perspective," Ph.D. dissertation, Department of Political Science, Yale University, 1998.

54. Chen Shao-hsin, *Population Changes and Social Changes in Taiwan*.

cent, respectively, in the 1990s.<sup>55</sup> The data clearly show that the importance of blood relationships and locality organizations has decreased while occupational or functional associations have increased in significance. According to the social change survey data, Chang Ly-yun summarizes that 90 per cent of respondents agreed that they should interact with neighbours but about one-quarter did not consider family members most trustworthy. Therefore, she suggests that changes in the philosophy of nepotism have occurred in contemporary Taiwanese society.<sup>56</sup> It can be argued that the principles of social organizations have been to some extent changed from particularism to generalism, but care is needed with this conclusion. High enrolment in voluntary associations does not necessarily indicate substantial changes in the principles of social organization if memberships in these associations are only a matter of formality.

It can be assumed that the changes in social solidarity principles are engendered by economic and political as well as social structures, but these structural factors are not sufficient to determine the occurrence of the change and its scope.<sup>57</sup> Since most notable structural changes in Taiwan have occurred in both economic and political systems after 1987,<sup>58</sup> the discussion will focus on whether or not these factors have contributed to the formation of new principles of social organization.

The lifting of the state of emergency (martial law) in 1987 began a new era of democratization in Taiwan. Significant changes in political institutions have included the granting of freedom of association, the formation of a party competition system and the establishment of nation-wide elections. These changes have created opportunities for new modes of social organization because the ideational innovation of ordinary people in social organizations becomes possible with the freedom of association. For instance, citizens can try to establish grass-roots organizations in their own communities and build some types of nation-wide associations dealing with environmental protection, women's rights, social welfare, and educational reform, for instance. As mentioned in the previous section, voluntary associations prospered only after the lifting of the state of emergency. However, the events of social movements dramatically increased after 1987 but soon declined.<sup>59</sup> Accordingly, social movement organizations expanded their roles as a base for civil societies for a very short period, but their capabilities of mobilization have begun to shrink. Although the number of non-profit organizations has increased by three

55. Chiu Hei-yuan, *Basic Survey of Social Changes in Taiwan*.

56. Chang Ly-yun, "Trust and distrust in the Taiwanese society," in Chang Ly-yun, Lu Yu-hsia and Wang Fu-chang (eds.), *Taiwanese Society in 1990s: Taiwan Social Change Survey Symposium Series II* (Taipei: Institute of Sociology, Academia Sinica, 1997), p. 323.

57. Efforts made by significant agents such as political elites, entrepreneurs, and social movement leaders also contribute to the evolution of modes of social organizations. Various strategies chosen by actors are affected by institutional configurations and by the actors' behavioural inertia, as well as by their own abilities. In this article, I do not possess enough empirical data to deal with these issues.

58. This article does not discuss why major political changes and economic transformation occurred after 1986. These issues have been well studied by a great deal of literature.

59. Chu Yun-han, *Crafting Democracy in Taiwan* (Taipei: Institute for National Policy Research, 1992), p. 111.

times from 1988 to 1996, these organizations face problems of manipulation by the public sector and political elites, control of economic resources, and limited citizens' participation.<sup>60</sup> Consequently, the increase of strength of civil organizations and the emergence of new social solidarity principles after significant political transformation might be a transitional phenomenon.

The decrease of state intervention in civil society and the return of the right of free association also suggest that state control of traditional political actors, especially local political factions, has been minimized. In other words, democratization also creates helpful situations for traditional actors to expand their influence in the nation-wide arena as well as consolidate their dominance in local politics. Table 1 shows the continuous expansion of the power of local political factions from local to national politics in terms of increasing the numbers of Kuomintang legislators in the Legislative Yuan who possess a factional background. On the one hand, since the political factions possess abundant resources to organize their supporters and make coalitions with other political groups, the factions can easily restrain the influence of self-initiated grass-roots organizations. On the other hand, major actors in national politics purposely ally with local factions in order to maintain these actors' dominance in power struggles during the democratization pro-

**Table 1: The Number of Kuomintang Legislators in the Legislative Yuan who Possess a Local Faction Background**

<i>Year</i>	<i>Total number</i>	<i>Legislators with a factional background</i>	<i>Legislators without a factional background</i>
1969	8	4 (50%)	4 (50%)
1972	30	5 (16.7%)	25 (83.3%)
1975	30	6 (20%)	24 (80%)
1980	57	18 (31.6%)	39 (68.4%)
1983	62	30 (48.4%)	32 (51.6%)
1986	58	31 (53.5%)	27 (46.6%)
1989	72	42 (58.3%)	30 (41.7%)
1992	71	42 (59.2%)	29 (40.9%)
1995	63	41 (65.1%)	22 (34.9%)
1998	90	56 (62.2%)	34 (37.8%)

*Sources:*

1969–92, from Wang Jen-hwang, *Sheitong chi Taiwan (Who Governs Taiwan?)* (Taipei: Chu Liu Publishing Co., 1996), p. 154; 1995 and 1998, from Chen Ming-tung, *Paixi zhengzhi yu Taiwan bianqian (Faction Politics and Taiwan's Political Changes)* (Taipei: Yudan Publishing Co., 1995).

60. Ku Chung-hwa, "The structural transformation of civic association and the development of NPOs in Taiwan," p. 138.

cess.<sup>61</sup> Clientelism and favouritism therefore still pervade local societies. Efforts to establish civil organizations and to transform the social solidarity principles have been offset by the unshaken influences of the traditional political actors.

The establishment of the multiple party system is another significant dimension of democratization that might change the conventional political structure and the traditional modes of social interaction. Whether it can contribute to social transformation largely depends on the characteristics of the major opposition party, the Democratic Progressive Party (DPP).<sup>62</sup> There are two crucial issues related to the formation of the DPP that should be discussed. The first is whether its establishment can create new principles of social association that are able to replace traditional particularistic principles. The second issue is identifying unintended consequences of the over-mobilization and over-politicization of the public that have been produced during the DPP's party-building process.

According to Lin Chia-lung's study, the DPP failed to become a mass-bureaucratic party through social movements and grass-roots organizations because an election-driven party-building process was basically led by local electoral elites who heavily relied on personal networks.<sup>63</sup> The coalition of the local elites during the party's formation inherited the traditional logic of political interaction attached to personal networks, and the weak party centre with collective leadership resulted in party factionalism in the later stage. In a sense, the traditional principles of social interaction continue to prevail in the DPP.

The DPP's formation occurred at the same time as the liberation of the previously dominated local societies; therefore, resources that could be mobilized by the societies were to a greater or smaller extent acquired by the DPP. Even though the DPP was not essentially built on the basis of local political organizations, the party worked very hard to penetrate into social movement and other civil organizations in order to gain popular support and resources. Under such circumstances, these civil organizations' capacities for autonomy and self-initiation were largely constrained. Moreover, frequent elections help the election-driven DPP prosper as well as secularize its political logic,<sup>64</sup> and also unintentionally squeeze out any open space for the development of civil organizations. As a result, the new party formation does not create too many opportunities for the emergence of civil society.

On the other hand, Taiwan has experienced significant changes in its economic system in the 1990s. Most discussion has emphasized the rapid economic growth but not the deep changes in both the industrial struc-

61. Lin Chia-lung, *Paths to Democracy*, pp. 362–68.

62. In this article, I will assume that the Kuomintang has experienced some transformation during the democratization process but that its basic logic of political interaction, such as clientelism and favouritism, has not been changed. The New Party has only limited impact on general societal development because of its relatively small size and the homogeneous backgrounds of its urban and middle-class supporters.

63. Lin Chia-lung, *Paths to Democracy*, pp. 246–47.

64. Kuo Cheng-liang, *Minjindang zhuanxing zhi tong* (*The Critical Transformation of the Democratic Progressive Party*) (Taipei: Commonwealth Publishing Co., 1998).



tures and the structure of economic status. For the former, this article focuses on the emergence of high-technology industries. For the latter, the discussion highlights the changes in class structure and the emergence of the middle class. The economic system becomes dominant in capitalistic societies, and its influences on the other systems have been well documented by sociological literature.<sup>65</sup> Rules and behavioural patterns cultivated in the economic system will diffuse into the social systems to some extent. In addition, occupational status has taken a master role in shaping individuals' identity in Taiwan, and the empirical data support this argument. In a national survey, about 15 per cent of respondents (the highest percentage group for that item) stated their occupational status as their most important identity.<sup>66</sup>

From the beginning of Taiwan's economic development, the separation of economic organizations from the family was not so obvious; therefore, economic corporations were mostly made up by family enterprises. The operational logic of most Taiwanese enterprises basically imitated that of the family. However, the recent change in the industrial structure has reduced the penetration of the family institution and the differential hierarchical structure into the economic system.

Among high-technology industries, the integrated-circuit industry<sup>67</sup> has become one of the most important in Taiwan since the 1980s. Most companies in this industry have been started up by entrepreneurs with engineering backgrounds; the industry is almost entirely devoid of family enterprises.<sup>68</sup> Companies are able to build up their own codes of operation, and then these cultural factors are able gradually to substitute for the prevalent familial values in economic interaction, finally replacing those in social interaction as well.

My study of Taiwan's integrated-circuit industry shows that participants in the industry also rely on informal social networks and personal trust to facilitate their economic transactions, but formal mechanisms such as institutional trust or formal inter-organizational alliances have great importance.<sup>69</sup> To some extent, actors in this industry who seek the co-operation of unfamiliar actors may depend on the competence of technological skills and behavioural codes in their professions. General-

65. Niklas Luhmann, *Social Systems* (Stanford: Stanford University Press, 1995).

66. Wang Fu-chang, *Taiwan zuqun guanxi de shehui jichu diaocha* (*Social Survey of Taiwan's Ethnic Relationships*) (Taipei: Institute of Sociology, Academia Sinica, 2000), p. 39.

67. The reasons why I refer to the integrated-circuit industry are as follows: it is the most successful of the high-technology industries both in terms of industrial structures and gross amount of production; and its great achievement has been completed since 1987.

68. Chen Dung-sheng, "Jitidianlu chanye zuzhi wangluo de xingshi ji qi xingcheng de zhidu jichu" ("Network organizations in Taiwan's integrated-circuit industry and their institutional bases"), in Chang Wei-An (ed.), *Taiwan de chanye: zuzhi jiegou yu guoji jingzhengli* (*Taiwan's Industrial Organizations*) (Taipei: Lianjing, forthcoming).

69. Chen Dung-sheng, "Gaokeji chanye zuzhi wangluo tongli jiagou de neihan ji qi yanbian de tantao yi Taiwan jitidianlu chanye fengzhuang bumen wei li" ("Changes in structures of governance in high-technology network organizations: the case of Taiwan's integrated-circuit packaging companies"), *Sun Yat-sen Management Review*, Vol. 7, No. 2 (1999), pp. 283–324.

ized trust of unfamiliar organizations or individuals is very common in the integrated-circuit industry because of the professionalism within the engineering community.<sup>70</sup> Therefore this industry shows some tendencies to change from person-oriented to institution-oriented principles. This point actually follows Emile Durkheim's theory on occupation-based organic solidarity.<sup>71</sup> Whether the principles derived from the professional communities can facilitate general social transformation in the modes of social organization partly depend on the composition of the class structure and the diffusion capabilities of the professional codes to the mass society.

Investigating the data at the level of the individual reveals that the professional class made up 26 per cent of the overall class structure in 1992.<sup>72</sup> In the past 50 years, the proportion of the professional class has increased dramatically, and it can be expected that it will grow further because of the transformation of industrial structures toward both high-technology and service industries. Even though the professional class is not the largest class at present, its affluent resources and influences establish a solid base from which to diffuse its principles of social solidarity and modes of social association to mass society. There is a point of critical mass at which professionals can induce significant social changes. It is not clear where the threshold lies. Nevertheless, when the size of the professional class continues to increase, it is believed that some rules derived from professionalism will have a greater possibility of replacing the traditional rules than before.<sup>73</sup>

There are different mechanisms by which the principles derived from professional communities will become important rules of social interaction in mass society. The first and most fundamental channel mentioned by the literature is parents' occupational values transmitted to their children through family socialization.<sup>74</sup> Besides this, there are mimetic processes of cultural formation occurring in families from other classes whose children attend the same schools as those of the professional class.

Secondly, professional values and patterns of social interaction might be conveyed to either social or political systems through cross-memberships of the professional class in various voluntary associations. Therefore, members of the different classes can craft new principles of social solidarity through either normative or mimetic mechanisms. In the

70. Chen Dung-sheng, "Network organizations in Taiwan's integrated-circuit industry and their institutional bases."

71. Durkheim, *The Division of Labor*.

72. Hsin-Huang Michael Hsiao and Alvin So, "The making of the East Asian middle classes," in Hsin-Huang Michael Hsiao (ed.), *East Asian Middle Classes in Comparative Perspective* (Taipei: Institute of Ethnology, Academia Sinica, 1999), p. 10.

73. I have noticed that the professional class and professional values have existed for a very long time. My point is that social changes facilitated by the professional class cannot be possible without the sufficient scale of the professional class and other structural conditions such as the lifting of state intervention in the professional communities.

74. Melvin L. Kohn, "Social class and parental values," *American Journal of Sociology*, Vol. 64, (1959), pp. 337-351; Melvin L. Kohn and Carmi Schooler, "The reciprocal effects of the substantive complexities of work and intellectual flexibility: a longitudinal assessment," *American Journal of Sociology*, Vol. 84, (1978), pp. 24-52.

former, actors from different backgrounds have to formulate new behavioural and attitudinal patterns and subsequently institutionalize this cognitive framework among themselves in terms of members' selection, education and anticipatory socialization. In the latter, other social actors simply copy the dominant professional values and interaction patterns.

According to the *Basic Survey of Social Changes*, it can be found that the number of participants in occupational associations is highest among the different types of social organizations. One out of every five adults has joined an occupational association, making them the most popular voluntary organizations in Taiwan.<sup>75</sup> And it can be predicted that professional associations will increase their proportion within the total number of occupational associations while the number of professional workers continuously grows. Finally, it can be argued that their occupational values and patterns of economic interaction have great potential to influence values and patterns in other systems because of the prevalence of occupational associations' memberships, especially those of professional associations, over other types. There is also an overlap of members among occupational associations and the other types of voluntary associations.<sup>76</sup> Thus, it can be suggested that structural conditions facilitating the interchange of the professional subculture and other subcultures do exist.

According to Eliot Friedson, professionalism is derived from fundamental principles of democracy, and professionals aim through mutual beneficiary co-operation to create public goods, through self-discipline to acquire autonomy, and through altruism to obtain the public's trust and respect for the professional.<sup>77</sup> The basic professional ethics are very close to the requirements of self-governance, self-organization and self-initiation. Ideally, principles of social solidarity similar to those of professionalism will encourage participation in public affairs, increase the autonomy of social agents, and avoid the problems of free riders and political patronage. Moreover, professional ethics could help to formulate generalized trust, one of the social capitals required in the civil society.<sup>78</sup>

In the integrated-circuit industry, social networks are not tightly bounded, not based solely on strong ties, and not power-asymmetric.<sup>79</sup> In these networks, members as well as information are highly fluid; therefore, outsiders can easily join the networks through a weak-tie channel and quickly establish co-operative relationships with other members under the supports of generalized trust and secondary solidarity.<sup>80</sup> Favouritism, nepotism and clientelism derived from enduring restrictions on social relations can be avoided under these circumstances.

75. Chiu Hei-yuan, *Basic Survey of Social Changes in Taiwan*, p. 218.

76. *Ibid.*

77. Eliot Friedson, *Professionalism Reborn* (Chicago: University of Chicago Press, 1994), pp. 175–78.

78. Putnam, *Making Democracy Work*.

79. Chen Dung-sheng, "Network organizations in Taiwan's integrated-circuit industry and their institutional bases."

80. As mentioned before, generalized trust and secondary solidarity incentives are possible to facilitate co-operation among social actors because of the institution of professionalism.

Optimism about the contributions of professional ethics and the patterns of organizations in the emergence of civil society should not go too far. As pointed out by Magali S. Larson, some characteristics of professionalism, such as autonomy, objectivity and meritocracy, correspond to the requirements of political bureaucracy and may eventually lead to the expansion of governmental organizations rather than civil society.<sup>81</sup> Moreover, professionalism is highly elite-oriented, and if the members of the professional class do not recognize their dominant status and are not willing to co-operate with ordinary people, professional elites cannot contribute to the formation of civil society.<sup>82</sup>

In Taiwan, the possibility of professional groups formed in the integrated-circuit industry becoming elite-oriented is relatively small, for several reasons. First of all, the entrance barrier into the engineering community is low since educational opportunities for professional technological training have increased rapidly. The boundary of this community is essentially wide open, and therefore the monopoly on knowledge and status by the technological elites cannot be easily sustained. Secondly, compared to the physicians' professional groups, engineers' groups are mostly employed by industrial enterprises; hence collaborations with other professional classes as well as the working class are inevitable. In some sense, isolation of the group is unlikely to happen.

It can be concluded that the economic transformation of industrial structures and labour market composition contribute more significantly to the emergence of civil society and the changes in the social solidarity principles than the political transformation after 1987. But this argument does not imply that economic structural transformation itself determines social changes. In fact, some collective social actors were organized and have contributed to political and economic transformation while new reform-oriented voluntary associations and service-oriented associations have increased significantly. However, these collective social actors are relatively weak in terms of their numbers and influence compared to collective economic or political actors. It can be suggested that when some new structural factors emerge, collective social actors might become a leading force in shaping social changes in the later stage.

### *Conclusion*

In traditional Taiwanese society, blood relationships and territory-based relationships are the major principles of social organization. Several scholars suggest that familial values prevail in Chinese societies and that the family is the most important resort and probably will be the only resort for Chinese because of Confucian ideology.<sup>83</sup> When the family occupies the central position in determining the fundamental social

81. Magali S. Larson, *The Rise of Professionalism* (Berkeley: University of California Press, 1977), p. 144.

82. *Ibid.* p. 2.

83. Lin Nan, "Chinese family structure and Chinese society"; S. Gordon Redding, *The Spirit of Chinese Capitalism* (New York: Walter de Gruyter, 1990), p. 46.

structures of Chinese societies, it is very easy to find the close connection between wider social structures and the family. As a result, social organizations of traditional Taiwanese society display a pattern of the differential hierarchical structure that is maintained by kinship-based relationships. The rules for social interaction in this structure include favouritism, bounded trust and patrimonialism.<sup>84</sup>

On the one hand, Taiwan is an immigrant society, so the family could not expand into large-scale lineage groups from the very beginning. The principles of origin and surname therefore assembled immigrants together before blood relationships became an important base of social solidarity. On the other hand, the kinship-based relationships had to combine with territory-based relationships in order to create large social organizations within local societies. Thus, the differential hierarchical structure integrated both the kinship-based relationships and the territory-based relationships in arranging social actors into their different positions and in defining their basic rules of social interaction. However, social actors without blood relationships could not be incorporated into the very inner circle of the structure.

Generally speaking, the principles of social organization from the 1900s to the 1970s inherited the legacy of traditional Taiwanese society, even though both the Japanese colonial government and the Kuomintang authoritarian state had attempted modernization. Under tight political control, opportunities for the development of civil and private economic organizations were very limited so that political and economic interaction was forced to rely heavily on informal social relationships. Consequently, local political factions and family enterprises prevailed in both the Japanese occupation period and the Kuomintang authoritarian regime period.

In these two periods, the lack of new institutional arrangements mainly resulted in the persistence of traditional principles of social solidarity. Whether social changes occur or not may relate to the transformation of the value system or the degree of social differentiation, but institutional innovation is crucial in facilitating the emergence of new social organizations' principles.

Since the lifting of the state of emergency, there have been significant changes in both the political structures and the economic structures. This article's argument suggests that the democratization process has contributed to the increasing number of civil organizations and also the formation of a multiple party system. However, the efforts on behalf of self-initiated participation in public affairs as well as institutional innovation have been offset by the increasing influences of local political factions and the rapid expansion of the opposition party machine. Thus, the political transformation has had much less impact on the principles of social organizations than expected.

Accompanying the economic restructuring, rules of social interaction

84. Redding, *The Spirit of Chinese Capitalism*, p. 83. Patrimonialism has characteristics of clear hierarchy, mutual vertical obligations, family atmosphere and protection of key subordinates.

prevalent in high-technology industries such as institutional trust, competence-oriented values, altruism and an equity principle are beginning to become common in professional groups. The close connections between the economic subsystem and other subsystems make the diffusion of professional values and behavioural codes easy, and the bottom-up institutional innovations for social organizations are emerging incrementally. Those rules derived from professionalism will replace the traditional principles of social interaction gradually.