

# Small-scale production, family, and gender in Taiwan : culture as a resource

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## SMALL-SCALE PRODUCTION, FAMILY, AND GENDER IN TAIWAN: CULTURE AS A RESOURCE

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There is a general consensus that Taiwan's economic growth and dynamism are the product of export-oriented industrialization, particularly the production of manufactured commodities (Ho 1978; Lin 1973; Wu 1990). There is less agreement, however, on the reasons for Taiwan's successful industrialization. Economists and macro-sociologists (e.g., Amsden 1979; Gold 1986; Hsiao 1990; Ranis 1979) tend to identify state planning, timing of entrance into the global economy, and geopolitical considerations as the prime triggers of the Taiwan economic miracle, although they frequently note the contribution "culture" has made to the growth of the island's economy. Anthropologists and micro-sociologists, in contrast, tend to attribute Taiwan's economic achievement to the industry and wits of its people, though they invariably situate this behavior and shrewdness within the political economy of the island and patterns of Chinese culture (e.g., Gallin and Gallin 1992; R.S. Gallin 1994; Gates 1987; Greenhalgh 1989; Harrell 1982).

The inclusion of culture in these different explanations of the Taiwan success story is likely based on a shared conviction that the Chinese are tireless workers. They are, to paraphrase Berger (1990:7), "bourgeois Confucianists" who bring a specific work ethic to their everyday lives. While virtues such as discipline, diligence, and practicality are frequently cited to illustrate the character of this ethic, its most distinctive attribute is reported to be the Chinese overriding concern for family. Indeed, Harrell (1985:216-17) maintains that the Chinese work ethic is an "ethic of entrepreneurship" and that the Chinese work hard "when they see possible

- 1 Rita S. Gallin's research was carried out in collaboration with Bernard Gallin, whose insights inform much of her work. She acknowledges with thanks the organizations that provided financial assistance over the years and made their field trips to Taiwan possible. Specifically, funding was provided by a Ford Foundation Foreign Area Training Fellowship, Fulbright-Hays Research Grants, the Asian Studies Center at Michigan State University, the Midwestern Universities Consortium for International Activities, the Social Sciences Research Council, and the Pacific Cultural Foundation. Ross Gardner's field research was supported by the American Council for Learned Societies (ACLS), whose funding he acknowledges with thanks.

long-term benefits, in terms of improved material conditions and/or security, for...[the] group with which they identify" — the economic family (*jia*).

Harrell is correct, of course, when he insists that this "entrepreneurial goal" (*ibid.*:219) and the individual's willingness to work hard are cultural constructions. The difference between his approach to culture and that of more macro-oriented analysts of Taiwan is the entity each identifies as the beneficiary of men's (and women's) labor. While Harrell sees the family as the beneficiary, economists and macro-sociologists believe that Taiwan's economy has reaped the benefits of its population's hard work. The purpose of our paper is more modest than a reconciliation of this difference. Rather, our objective is to examine how Taiwanese use culture as a resource to secure and enhance their material well-being within the framework of opportunity and constraint created by state policy and global processes.

The paper is based on published works about development and change on the island and our own research on subcontracting in central Taiwan. Gallin's work centers on a small rural community, Hsin Hsing village, which has changed over the past 30 years from an economic system based almost purely on agriculture to one founded predominantly on off-farm employment.<sup>2</sup> The focus of Gardner's research is the hand-made paper industry in Puli.<sup>3</sup> Our data show that, while state policy to encourage economic growth profoundly changed the local environment, subcontractors selected strategies from a repertoire of traditional customs in the attempt to survive and prosper in a structure they did not create.

We begin the paper by describing development in Taiwan and the structure of subcontracting in the study areas to establish the context for the material that follows. We next move to the micro-level to explore how people adopt and adapt culture to achieve their economic goals. First, we

2 The Gallins first field trip, in 1957-58, involved a 17 month residence in the village. This was followed by six separate studies, the most recent of which was carried out in 1989-90. During these field trips, data were collected using anthropological and sociological techniques including participant observation, in-depth interviews, and surveys.

3 His research was carried out from January 1989 to January 1991. The study involved participant observation and in-depth interviews with the owners and wives of, and the workers in, 20 factories involved in subcontracting arrangements.

survey the ethnographic record to show how people's use of traditional Chinese mobility strategies contributed to the growth of small-scale business firms in Taiwan. Then we draw on our own research to illustrate how subcontractors shape old norms to new purposes to help ensure the survival and viability of their enterprises; by deconstructing the family and revealing the way male privilege patterns the social relations of production, we demonstrate that a gendered perspective is necessary to understand the Taiwan economic miracle. In the concluding section, we consider the meaning of our findings for the future of gender and income equality in Taiwan.

## DEVELOPMENT IN TAIWAN

When the Nationalist government retreated to Taiwan in 1949, it faced two immediate demands: feeding a population swelled by over one million refugees, and developing the island economically.<sup>4</sup> The most obvious approach for it to adopt was to turn to agriculture, the strongest sector in the economy. The strategies the government adopted to foster agricultural growth have been described in detail elsewhere (Thorbecke 1979). Here it is sufficient to note that rural infrastructure was repaired, agricultural inputs and production techniques were introduced, and a rent reduction and land redistribution program was implemented (for details, see Koo 1968).

Land reform enabled many peasants to become owner-cultivators, but it could not increase the amount of available land suitable for farming. Land resources were thus strained considerably as the population grew and, by 1956, the proportion of farmers tilling less than one *jia* of land was 57 percent as compared to 46 percent in 1939 (Koo 1968:40-41). Acquisition of land was a problem after land reform, however (Gallin and Gallin 1989; Pasternak 1972:23-25). The costs of operating a farm also were often heavier following land reform than prior to the program's implementation (Ho 1978:170). This difficulty was exacerbated by the expropriation of a large share of farmers' surplus through mechanisms such as land taxes payable in kind, the compulsory sale of grain, and the rice-

4 While these needs were critical, the objective of retaking the mainland remained paramount in the government's mind. Large amounts of the budget were thus committed to the military, leaving little for economic development (LIANG and LIANG 1988:S67).

fertilizer barter system (Ho 1978:180-84). In the face of these myriad problems, farmers began to migrate to Taiwan's towns and cities.<sup>5</sup>

This shift of labor from agriculture to non-farm employment accelerated in the early 1960s when the government adopted a policy of industrialization through export (a move which coincided with the cutoff of most American aid and the expansion of world trade). Young people in increasing numbers abandoned farming to fill the factory jobs created by foreign businesses seeking low-cost workers for the manufacture of labor-intensive goods (Ho 1978:207-11). These factory jobs, however, represented only a small proportion of the employment that resulted from the government's outward-looking strategy.

The influx of foreign capital stimulated the growth of domestically-owned enterprises by establishing a distinctive division of labor; foreign firms and buyers subcontracted production out to domestic, small-scale entrepreneurs or hired local traders who acted as their agents to put out work (R.S. Gallin 1990; Greenhalgh 1989:370). As a result, Taiwan's economic system is based on and sustained by highly integrated and geographically dispersed small-scale businesses.

As early as 1971, for example, 50 percent of the industrial and commercial establishments and 55 percent of the manufacturing firms in Taiwan were located in rural areas (Ho 1979:17).<sup>6</sup> Most of these businesses are family organized and small- and medium-sized operations producing for international and domestic markets (Wu 1990:191).<sup>7</sup> More

5 The large gap between urban and rural incomes also acted as a powerful incentive for people to leave their farms and move to cities. Non-agricultural income was twice that of agricultural in the early 1950s and three times as large between 1966 and 1970 (HO 1978:140; see also THORBECKE 1979:193-94).

6 The dispersal of industry to the countryside has been explained as a product of industry's desire to be near the sources of low-cost labor and raw materials. While true, the government encouraged the movement by refraining from protecting agricultural land until the goal of industrialization had been achieved and farm productivity had declined. In November 1975, it promulgated a law barring the use of certain agricultural lands (i.e., grades 1-24) for purposes other than farming. (Before this law, only land grades 1-12 had been so regulated.)

7 Following HO (1976:57), "small" is defined as fewer than ten workers, "medium" as ten to ninety-nine workers, and "large" as one hundred workers or more. The definition of size appears arbitrary to those studying Taiwan. STITES (1982:248),

than 90 percent of the island's industrial enterprises each employ fewer than 30 workers (Bello and Rosenfeld 1990:219) and, in 1987, these small firms employed almost two-thirds (63.8%) of Taiwan's labor force (DGBAS 1988:161). Further, these small enterprises are the mainstay of the island's trading economy, accounting for 65 percent of exports in the late 1980s (Bello and Rosenfeld 1990:241).

In summary, Taiwan's economy is based on and sustained by a multitude of small- and medium-sized family firms that are a reflection of concrete government actions. Land reform kept landholdings small while extractive farming policies kept farmers poor. This meant that they had to seek non-agricultural income to get by. Export industrialization generated low-wage jobs and inserted Taiwan into the world capitalist system with responsibility for simple production functions in light, labor-intensive manufacturing. Assignment to this segment of the production process (which needs neither large amounts of capital nor sophisticated technology) created spaces for would-be entrepreneurs to enter the local and global subcontracting system. Taiwan "is not an exporting nation...[but rather] is simply a collection of international subcontractors for the American market" (Sease 1987:1, citing a foreign executive).

## THE STRUCTURE OF SUBCONTRACTING

The small-scale producers in Hsin Hsing and the hand-made paper manufacturers in Puli are embedded in a complex hierarchy of production relations.<sup>8</sup> Large and medium-sized businesses (center factories) and traders, occupying the highest stratum in this hierarchy, tend to control the marketplace. They obtain orders through direct contact with foreign buyers and multinational corporations. Most frequently, they also have exclusive access to inputs, such as raw materials, technology, and information. As a

for example, defines small as 100 or fewer workers while GOLD (1986:141, note 16) defines large as more than 300 workers.

- 8 The description which follows is specific to the hand-made paper industry in Puli and the varied export-commodity markets in which the subcontractors of Hsin Hsing are located. The production of the villagers represents a sub-process in the creation of a final product for export (such as motorcycles, shoes, machine tools, umbrellas, and sports equipment). Our description, therefore, may not be analogous to the organizational structures of other industrial sectors.

result, they are able to erect considerable barriers to the marketplace, thereby undermining the capacity of subcontractors to accumulate capital.

Subcontractors, occupying the lower strata of the hierarchy, are rarely able to establish contact with foreign firms. They are therefore dependent upon center factories or traders for their inputs and outputs (finished products). They also must comply with the norms of production and the prices center factories and trading firms are in a position to impose. While subcontractors may attempt to decrease their dependence on center factories by, for example, establishing relations with several large firms, their stratagems frequently fail. Formal agreements for work contracted are unusual, and the relationship between core factories and subcontractors can be canceled whenever a center firm decides to terminate it.

This brief description suggests that subcontracting offers numerous advantages to center factories. During periods of market expansion, if they lack sufficient capital or labor, center factories can send work out to subcontractors in order to increase their capacity for production, shift their production costs, and share the risks of investment. During periods of market contraction, if demand is unstable, they can respond by either increasing the use of subcontractors or choosing to produce "in-house" (Holmes 1986:87). Center factories can also consign to subcontractors the costs of production slow-downs or sudden changes in the consumer market (Gerry and Birkbeck 1981; Rannie 1985). Further, because subcontracting production is segmented into various locations, center factories do not have to contend with the demands of a unified work force — the one group able to drive up costs in labor-intensive production. Rather, segmentation of the production process lowers production costs by forcing subcontractors to bid against each other for work.

These advantages mean that the balance of power is heavily weighted in favor of center factories. Subcontractors operate in a complex structure of external linkages and transactions (Holmes 1986). But the conditions of these linkages and transactions are often skewed against them. While the subcontractors of Hsin Hsing and Puli may appear to be autonomous entrepreneurs, they are highly dependent on more powerful firms which control their access to the marketplace.

## CULTURE AS A RESOURCE

Despite the uncertain business environment subcontractors face, most men in Taiwan want to be "bosses" (Harrell 1985). Owners of successful factories and trading firms serve as exemplars who prove that opportunities to make fortunes are possible for those who work hard and use their resources well. Indeed, the high prevalence of small-sized firms in Taiwan attests to people's belief that entrepreneurship represents the best avenue via which to improve the lives and fortunes of their families. The small size of firms also confirms "the familial basis" of the island's enterprises (Greenhalgh 1989:374).

"The family is the predominant actor in the economy" (*ibid.*:364) and, according to Greenhalgh, is responsible for the proliferation of small-scale businesses throughout the island. The body of accumulated work documenting change in individual communities over the past several decades tends to support her claim. It shows that families responded to conditions created by the state and used strategies that were part of a repertoire of traditional customs to secure and improve their well-being. We begin this section, then, by surveying the ethnographic record to show how people's use of traditional Chinese mobility strategies, such as family extension and the manipulation of non-patrilineal networks, contributed to the growth of the small-scale business firms that make up Taiwan's subcontracting nexus.

In the second segment of the section, we move away from the notion of *the* family, a usage which mystifies the internal diversity and dynamics of the unit. Chinese families are patrilineally-organized units, and Chinese custom makes men the primary owners and transmitters of property and the most central family members. Nevertheless, women are critical to family production (and necessary for family reproduction and continuity). Here, then, we want to show how women, as wives of "bosses" (*lao ban niang*), contribute to the viability of small-scale firms in Taiwan and thus the dynamism of the island's economy.

Drawing upon our own research, we describe the division of labor in subcontracting firms and argue that this division reflects people's selection of an element from Chinese tradition for use in the contemporary world. In this instance, however, people shape an old norm to a new purpose. They use a dualistic Taiwanese world view — that men are outside people (*wai ren*) and that women are inside people (*nei ren*) — to help ensure the survival and secure the mobility of their enterprises.

*Using Traditional Mobility Strategies*

The *ideal* Chinese family consists of a number of generations living together and sharing a common treasury and communal stove. Its members work together under the control and authority of one family head and, because the head is impartial and respected, the unit (*jia*) lives in harmony and prospers. This ideal family, however, was rare and an archetype only the well-to-do could afford. Poverty tended to preclude family expansion and, even among the wealthy, a host of divisive factors usually led to partition of the family's common property and the division of the complex group into separate units (*fang*). Most families in Taiwan (as in China) were thus traditionally organized as conjugal or stem families, even though the extended family remained the ideal.

There is a growing consensus among researchers, however, that, with industrialization, the size and structural complexity of the *jia* is increasing in Taiwan (Lavelly 1990). Chuang (1972) was the first to note the tendency of families to delay division of *jia* property. Based on research among farmers, he proposed the notion of the "federated family" to describe situations in which young people migrated to cities, organized their own small families after marriage, but maintained close contact with their elderly parents (see also Hsieh 1989). According to Chuang, although the federated family is not necessarily economically inclusive, it still allows for mutual financial assistance. He thus concluded that the federated family is a contemporary variant of the traditional extended family.

The Gallins (1974) observed similar cases of "delayed" division during the 1960s among migrants from Hsin Hsing to Taipei. Their research in the village in the 1970s, however, revealed that rural families deliberately postponed partition of the *jia* under conditions of change. Other researchers (Hu 1984; Huang 1981) studying rural villages during the 1970s also found that family division was delayed or even abandoned as a practice when a large, undivided household was achieved.

Many researchers (Chen 1977; Cohen 1976; Gallin and Gallin 1982a; R.S. Gallin 1991; Huang 1981; Stites 1982) have discussed the economic advantages of complex family organization to the unit. The inclusive economy of the extended unit helps families gain economic security (by spreading risk) and socioeconomic mobility (by enabling individual members to exploit new economic opportunities) (Harrell 1982; Wang and Apthorpe 1974). Moreover, the presence of a number of married women in the extended family allows for a division of labor in which older women

assume some of the domestic responsibilities of their daughters-in-law to release them for off-farm work (R.S. Gallin 1984a, 1984b, 1986). As might be expected, then, the increase in complex families on the island has been accompanied by diversification of the family economy and the proliferation of small-scale enterprises in both urban and rural settings.

It is unclear, however, to what extent the complex family in contemporary Taiwan adheres to the ideal. Hu (1984:99-119) discusses the difficulties involved in defining the joint unit and concludes that a family can be considered complex as long as its male members have legal claim to the *jia* estate (*ibid.*:108). The Gallins (1982b) maintain, however, that the ideal joint family may no longer exist in rural Taiwan. Rather, they suggest, families appropriate the "ideal" and shape it to their purpose in the face of change by modifying the structural arrangements of the group.

While traditionally income earned by family members became part of a joint treasury used to support all within the larger unit, the Gallins point out that opportunities existed for individuals to accumulate money for private use by their own conjugal units (see, for example, Cohen 1976:181; Yang 1945:79). Sons could retain any profits they made at trading, and wives could keep the money (*sai-khia*) they brought with them as brides as well as any funds added to their *sai-khia*, they managed to earn.<sup>9</sup> Nevertheless, the family as a whole traditionally discouraged such endeavors because they threatened its unity (Yang *ibid.*).

The Gallins found, however, that families not only encouraged this practice but also, it might be said, institutionalized it in the late 1970s. A joint treasury, controlled by the family head, covered all household expenses and provided investment capital for family businesses. But the contributions of family members to this treasury were neither equal nor total. Only the family head deposited all of his earnings into the common coffer. Married sons contributed only a portion of their incomes, while daughters-in-law retained whatever money they earned. This allowed sons to keep some, and their wives all, of their earnings to use for future business ventures or investments.

In short, they argue that families delayed family division by altering the financial arrangements of the family, thereby allowing conjugal units

9 The term in Mandarin is *si fang qian*, literally private room money or private fund.

(*fang*) to accumulate private assets while enjoying the economic security of the larger family (*jia*). In the Gallins' view, these private assets have been key to the proliferation of industry in the rural area. They are key because the government's ultra-conservative banking policies forced would-be entrepreneurs and owners of small-scale firms to depend on informal means of credit — their own savings and those of their patrilineal kin, friends, and affines (DeGlopper 1972, 1979; Greenhalgh 1989; Hu 1984:80).

Nonetheless, although official rationing of credit made it necessary for the Taiwanese to seek loans in the "unorganized money market" (Ho 1978:244), their choice of potential money-lenders was intentional and calculated. This is so because:

among the Chinese on Taiwan, as among the Chinese generally, there is a strong preference for economic relationships based on prior acquaintance and trust. When one goes outside the family circle to find a creditor, worker or the like, one goes first to the next concentric circle — those with whom one has some prior social relationship — and then to the surrounding circle — those with whom an acquaintance has a prior relationship (Greenhalgh 1984:535).

People were thus accustomed to seek help from members in their "supra-kin networks" (*ibid.*:551).

With industrialization, however, affines, "especially married-out daughters and families of daughters-in-law," became increasingly important as sources of credit (*ibid.*; see also Lu 1984:362-63; Tsui 1989:305). In part, they became more important because women's ability to earn and retain income meant that they had money to loan. But affines also became more important because, as industrialization weakened community ties (Gallin and Gallin 1982a; Huang 1981), people made conscious efforts to broaden and intensify their relationships with those beyond the local area. Affines — who outnumber patrilineal kin and are dispersed over a wider area — thus are better suited to people's needs in a transformed economic environment than are members of the descent group.

The credit provided by affines extends beyond the issuance of loans to start-up or prop-up a business, however. They also provide money for the establishment of enterprises through, what Greenhalgh (1989:378) labels, "share-issuing practices." During research in northern Taiwan in the late 1970s, she uncovered several entrepreneurs who mobilized relatively large amounts of capital for investment by issuing shares in their enterprises to relatives. Greenhalgh holds that this practice is similar to that described by

Ramon Myers for 19th and early 20th century Taiwan where "two or more people contributed varying capital shares and received a percentage of the profits according to the capital share invested" (1989:378).

While the ethnographic record does not indicate how prevalent this practice is in contemporary Taiwan, the Gallins found one instance in which two men issued shares in the village factory they established to a married sister. Although their sister did not participate in the operation of the factory, she received one-third of the firm's profits on a monthly basis. Gardner's research also revealed the practice, and he estimates that 25 percent of factory owners gave a portion of their profits to affines who had invested in their firms. Similarly, Hu (1984:81, 85) offers two examples of entrepreneurs who issued shares to affines — and, in one instance, know-how as well.

Hence, in addition to providing capital, affines furnish other critical types of assistance that have contributed to the development of entrepreneurship on the island. As Hu's data show, they represent a font of information and help in the establishment and management of business. Indeed, the Gallins (1985) found several villagers who operated subcontracting factories similar to those of their affines, reflecting the assistance offered when they decided to become entrepreneurs. They also observed that affines offer numerous possibilities for establishing contacts and relationships with others that can be exploited to economic advantage.

People pick and choose from categories of individuals those with whom they wish to forge bonds that can be manipulated to their interests. The choice of affines is superbly fitted to Taiwan's contemporary economy. Embedded in a marketplace highly vulnerable to international market fluctuations, entrepreneurs need others whom they can trust in order to conduct business. Affines are ideally situated to grant credit and to provide information about new opportunities and how best to exploit them. Taiwan's people have consequently used an old form to achieve their new economic goals.

### *Using Traditional Norms*

They have also used traditional norms to help ensure the viability of their firms, instituting a division of labor in them based on an ideology which claims that men are outside people (*wai ren*) and women are inside people (*nei ren*). Recall our description of the organizational structure of the

subcontracting industry in the Hsin Hsing area and Puli. We maintain that the imperatives created by this structure compel entrepreneurs to reproduce a norm originally intended to justify men's control of the public sphere and women's relegation to the domestic domain.

Subcontractors do not operate in a "free" market. They are highly dependent on larger, more powerful companies and must compete for work. Only those who are willing to accept low "wages," those who can produce high-quality goods within stringent time limits, and those who have good *public relations* can survive in a business environment marked by continuous fluctuations in the demand for products and the price and availability of inputs. We emphasize the term *public relations* to highlight the centrality of this notion to the survival and viability of the enterprises operated by Hsin Hsing's and Puli's subcontractors (see also Hu 1984:85, 87, 96).

At its most common sense level, this concept refers to the degree of understanding and goodwill someone or some organization achieves. In the contexts we studied, however, the notion of "public relations" is interpreted more broadly and refers to a code of relationship or *gan qing*. According to Fried (1953:103), *gan ching* "expresses a relationship between two individuals who are not on precisely the same social plane." It "differs from friendship in that it presumes a much more specific common interest, much less warmth and more formality of contact, and includes a recognized degree of exploitation" (*ibid.*:226).

Elaborating on Fried's definition, Bernard Gallin maintains that *gan qing* refers to

the good or bad sentiment, feeling, or relationship existing between individuals. ...[It] is basically a matter of structured obligation. The feeling or sentiment results from satisfied or disappointed expectations of appropriate behavior, and the expected behavior is behavior appropriate to the formal relationship of the two individuals within the social structure (1966:303, note 2).

In this sense, then, when subcontractors say that they must maintain good public relations to survive, they mean that they must maintain good interpersonal relations or good *gan qing* with those who supply their inputs and buy their finished products.

It is in this context that they shape old norms to new purposes by drawing upon their dualistic world view of men and women. Subcontractors (and center factory owners as well) establish a distinctive division of labor in their firms. They act as *wai ren*, negotiating with

suppliers and customers, while their wives function as *nei ren*. In this capacity, their wives manage the day-to-day operations of the factory, supervise workers, and serve as quality control inspectors. They also fill in as production workers, adjusting their labor to the ever-changing demands of the production process.

In point of fact, wives constitute the crux or nucleus of factory operations. They rarely idle away their time but rather are in constant motion, as the following excerpts from our interviews in Hsin Hsing and Puli illustrate.

I do everything the workers do. The only difference is that I don't get paid.

I'm responsible for the performance of my workers. If I don't push them, who will?

The wives of factory owners are the ones who manage what goes on inside the factory while our husbands run around, socialize, and play *lao ban*.

In the view of women, then, men are responsible for maintaining good *gan qing* outside the factory — a view shared by their husbands.

Even when women are the actual owners of an enterprise, men often assume responsibility for negotiations with suppliers and buyers, as the Gallins observed. In justification of this division of labor, one woman's husband argued that women lack the knowledge and skills required to negotiate good terms with experienced businessmen. Yet that these women capably hired and supervised staffs of workers suggests that they are not lacking in negotiating skills. Further, anyone familiar with women shopkeepers in China can attest to their well-honed bargaining abilities.

We suggest an alternative explanation, that interaction with businessmen outside a factory increases the danger that women will be promiscuous, particularly in an environment in which people frequently transact business in wine houses. It seems reasonable that husbands would be mistrustful of situations that exposed their wives to encounters with unrelated men. As a result, husbands may well assume responsibility for dealing with the suppliers and buyers with whom their wives have to negotiate.

Notwithstanding this division of labor, women on occasion are involved in negotiations about matters that arise outside the factory door. This involvement is most likely to occur when negotiations are protracted and difficult, when disputes arise over the price or quality of supplied

materials and products, or when competition between subcontractors for work is particularly intense. In such instances, however, women's dealings with suppliers and customers take a decidedly different form from those of their husbands. Rather than assuming the good-natured and affable manner that maintains good *gan qing* between men, they adopt an uncompromising and strident bearing and are obdurate during the bargaining process.

In point of fact, rather than jeopardize their *gan qing*, husbands often recruit their wives to handle difficult negotiations, "leaving the women to hash out the problems." On a number of occasions, Gardner observed the wife of one center factory owner telephoning or visiting the wife of another to discuss "business matters." During one ongoing dispute between the two firms, the men's wives were quite verbal about their dislike for each other, while their husbands were observed drinking beer together and exchanging jokes at a banquet.

Perhaps because wives are often called upon to do their husbands' "dirty work," much of the gossip and innuendo that circulates in the hand-made paper industry is aimed at women. In one notable case, a wife was blamed for the poor performance of her husband's business. "Mrs. Gao is tough and makes doing business difficult for her husband," harped the wife of a rival factory owner. "She always demands more money from their customers and pushes her husband to take more money than they deserve. She doesn't understand that the business should be handled by men." What is interesting about these remarks is that they were delivered by a woman who virtually always handled difficult negotiations for her own husband.

It might be argued that women are recruited to be the "heavies" in difficult negotiations because their status is lower than men's. Wives thus have less "face" to lose than do their husbands. While this assessment of women's "narrow-heartedness" is plausible, it ignores the organizational structure of the subcontracting industry. When factories are highly dependent on others for inputs and outputs, information, and technical support, conflict can be disastrous. Consequently, women "choose" to intervene in or negotiate disputes to protect their husbands' *gan qing*, thereby allowing them to maintain effective relations with others in the subcontracting nexus.

In sum, men appropriate old norms and shape them to a new purpose to survive in Taiwan's competitive and fluctuating business environment. Women accede to this ideology, even reinforce it, because their fates are inextricably entwined with those of their husbands and their enterprises.

Nevertheless, despite the tenet that their responsibility is restricted to the domestic sphere, women make invaluable and indispensable contributions in the public sphere. Taiwan's firms would be far less dynamic without the contribution of women.

## SUMMARY AND CONCLUSIONS

The focus of this paper has been the way Taiwanese use culture to secure and enhance their material well-being within the framework of opportunity and constraint set by state policy. We have shown that the government's agrarian policy forced farmers to shift their labor from the land to the non-farm sector. We have also shown that the government's policy of export industrialization prompted the growth of light manufacturing by integrating Taiwan into an international division of labor that operated at both the global and local level: foreign firms retained responsibility for complex production tasks and marketing and delegated simple production functions to indigenous firms; local suppliers, with whom foreign firms had direct contact, sent out production to an array of small subcontractors.

Nevertheless, our discussion also demonstrated that the Taiwanese were not passive "victims" of state policy. Rather, they actively responded to the conditions created by the government in order to achieve their "entrepreneurial goals." Building on old customs and norms, they used their labor and wits to establish and energize the multitude of small family firms that dot the island. The Taiwan "miracle" may be as much a product of the labor of the island's people as it is that of the state. Thus, the identification "problem" of the sources of Taiwan's impressive industrialization may not be an issue of either-or. Rather the relation among the state, people, and development may be dialectical.

While we have not resolved the question of cause and effect, our analysis has uncovered three issues that have heretofore received insufficient attention in the study of Taiwan. First, although culture is malleable and is often reshaped to fit new material conditions, cultural ideals and ideology are not as responsive to change. Second, subcontracting is not a simple one-to-one system of production, but rather is a relational system that is based on a complex structure of external linkages and transactions shaped by Chinese cultural ideas. Third, within this context, the family plays an acknowledged and important role, but *the* family cloaks this connection with cultural ideology; by looking through

the lens of gender, we uncover the way women's labor is used to further the interests of men in the subcontracting system "à la chinoise."

These issues suggest a number of questions, although here we raise only a few: Will adaptation of cultural forms lead to changes in the relations between men and women in patrilineal, patriarchal Chinese families? Will modifications in cultural forms be accompanied by a revisioning of the ideology that underpins Chinese family customs? Is the hallmark of the Taiwan miracle, "growth with equity," valid? If this contention is correct, will the island's record of income equality be sustained? While our analysis provides some tentative answers to these questions, it also points to several areas that call for additional research. Our aim in the space remaining is to sketch the direction we believe this research should take.

Our focal interest is subcontractors who, we propose, are representative of Taiwan's working class. As members of this class, they are the primary bearers of Chinese culture and conservators of the family, the major agent of socialization, and a preeminent supporter of gender inequality in Taiwan. The multiple changes we have observed in this institution generate discrepant answers to the first question posed. On the one hand, delayed division of the *jia* sustains "the authoritarian role of the husband" within the *fang* (Cohen 1976:198-200). Strategies which strengthen the extended family thus may reinforce gender inequality within the conjugal unit. On the other hand, increasing affiliation with affines may exert a countervailing force which diminishes men's power and privilege. Because men are unlikely to forfeit a resource as serviceable as affines, they may relinquish some of their advantage in order to secure the goodwill of these kin, in the process altering gender hierarchies within the family. Future studies need to clarify which processes bolster and which attenuate relations of power between men and women in the household.

Strands in our analysis of the way subcontractors use the *nei-wai* distinction, in contrast, propose a fairly clear-cut response to the second question posed: unlikely. Men, viewing the relations of production outside the factory as more important than those inside, take this ideal and use it to their advantage. Women, although perceiving their contribution to the family firm as critical as is men's, support this ideal to achieve the long-term security that success of the enterprise promises. By accepting this dualistic ideology, men and women affirm the unchanging nature of the universe. In so doing, they perpetuate other dualistic world views (such as

the natural superiority of men and the inherent inferiority of women) which buttress conventions of behavior within the family. Future studies should specify the nature of Taiwanese world views and identify how, in the face of change, these ideologies sustain unequal relations of production and reproduction within the family.

Finally, our description of the structure of subcontracting can be applied to the last two questions posed, because this depiction brings to mind a truism about the marketplace: it is often either a buyer's or a seller's market. In the settings considered in this paper, the market was dominated by the buyer. Center factories had the power to deny subcontractors free access to the marketplace and, accordingly, were deeply implicated in their ability to accumulate capital. While many of the small subcontracting firms we studied may survive, we suspect that they will not advance beyond their present position and evolve into large-scale enterprises. This assumption suggests that income equality in Taiwan may be less a reality than commonly presumed. Future research needs to detail the characteristics of Taiwan's class structure in order to generate the data necessary to verify or refute the claim that development and income equality are coupled on the island. Future research also needs to ascertain if Taiwan's current class structure will be sustained or will erode as the island's position in the world economy continues to transform.

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