

# THE DECISION MAKING PROCESS IN THE FARMER'S ASSOCIATION IN TAIWAN

— Its Consequences for Rural Development —

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## 1. Introduction

Rural development is an applied matter where decisions have to be made endlessly. Without this constant decision-making, the multifaceted rural development activities could not be implemented. With the Farmers' Associations being an active rural development agency, their decision-making is most vital; they must make decisions which are "desirable" in terms of their consequences for rural development. The concept of rural development implies that the rural population participates in the decisions made concerning their own development<sup>2</sup>, and organizations like the Farmers' Associations can be vehicles for such participation. The reason for claiming that rural people should be involved in rural development decision-making is twofold, since participation is both goal and means in rural development. The goal claim is a value-based concept and as such, of course, a subject for discussion. It is a rather new concept in Chinese culture. Still it is a major component in the content of the Chinese revolutions in the twentieth century. The concept of participation is, with little doubt, a "western" product which has been introduced together with the idea of "democratic" government. That in "traditional" Chinese culture there were other ways of participation does not contradict the above proposition, but it was not pursued by means of "democratic government". In this article participation is considered a "desirable" goal in rural development. A last reason to be mentioned for considering participation as a goal is the obvious need for a "fair" distribution of the "benefits" from rural development. When participation is assured, there is a reasonable chance that the "benefits" are fairly well distributed, although coercive methods are sometimes used and then tell little about the "fair" distribution of the "benefits".

Participation as a means in rural development is due to several factors which should be mentioned. Actual rural development activities take place at the local level, where the circumstances are highly "situational" because of the complex and varying mix of natural, social, and economic factors which exist at the local level. In addition, the Asian countryside, under the present production conditions, is "bound" to operate with small technical production units which multiply the

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1 The data used in this article was collected on a study tour to Taiwan in 1973—74. Some of the data has already been published in: LASSON, A. De, the Farmers' Association approach to rural development, Saarbrücken 1976. Valuable English language assistance for this article was provided by Monique Decotter and Kenneth Muller.

2 See: WORLD BANK, Rural Development. Sector Policy Paper, Washington d.C. 1975, p. 6. And Anker, D.L.W., "Rural Development Problems and Strategies", International Labour Review, Vol. 108 1973, p. 462. His definition is as follows: "A working definition therefore might be somewhat as follows: Strategies, policies and programmes for the development of rural areas and the promotion of activities carried out in such areas (agriculture, forestry, fishing, rural crafts and industries, the building of the social and economic infrastructure), with the ultimate aim of achieving a fuller utilization of available physical and human resources and thus higher incomes and better living conditions for the rural population as a whole, particularly the rural poor, and effective participation of the latter in the development process."

number of decisions to be made and makes “central command” difficult. In more practical terms, participation as a means helps to bring “desirable” information in decision-making. It can mobilize local leaders and underemployed labour, and it creates a channel for the “rational” management of relations between government and the local people.

When participation in rural development is implemented, one consequence is that decision-making becomes more popular and less elitarian in nature. In societies with a heavily centralized decision-making pattern, the decisions are made by the elites, and participation in such societies means less power and justification for the elites which, of course, is a direct threat to their position. This shows that a significant intensification of participation can't take place in a society without reducing the political power of the central elites. When central elites are weakened by participation, the local elites are strengthened. This strengthening is a necessary consequence, and, as long as the local elites serve the purposes of rural development, also desirable. In the past, many local organizations have been led by such elites which used the organizations to serve their own ends primarily, as was the case with many cooperatives in Asian countries. In these cases the outcome of participation is to be judged with scepticism when seen from the point of view of rural development.

In organizations decision-making is one of the most important linking processes, if not the most important, for making the organization work<sup>3</sup>. This also applies to the Farmers' Associations (FAs). For more information on the FAs see the sources listed in the footnotes<sup>4</sup>. The above-mentioned aspects make evident the importance of decision making. The topic of this article is not primarily the functioning of the FA decision process as such in respect to the basic decision steps of identifying problems and developing and choosing alternatives, but rather the consequences of the decision process for rural development. This means that it will be necessary to ascertain the final outcome of the FA decisions, to see how far the rural people are involved in the FA decisions, and, respecting this last aspect, to judge the role of the government in the decision-making. In order to answer the above questions, an outline is made of the FAs environment and organization. An analysis of the FA decision process itself follows.

## 2. Structure of the Taiwan Farmers' Associations and their environment

### 2.1 The Farmers' Associations environment

Taiwan, an island off the east coast of the Asian mainland, has a surface area of approximately 36,000 square km. Only about one-third of the area is generally habitable, due to the steep mountains covering the middle and eastern part of the island. The climate is subtropical and affected strongly by severe monsoons. This

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3 KAST, F. E. and ROSENZWEIG, J. E., *Organization and management. A systems approach*, Washington 1970, p. 340 ff.

4 KWOH, M.-H., *Farmers' Associations and their contributions toward agricultural and rural development in Taiwan*, Bangkok 1964, UNITED NATIONS, *Community Development and Economic Development, part II B, a study of Farmers' Associations in Taiwan*, Bangkok 1960. Chang, C.-W., (ed.), *Rural asia marches forward, Laguna 1969* (this book contains several articles on the Farmers' Associations and other rural organizations in Taiwan). STAVIS, B., *Rural local governance and agricultural development in Taiwan*, special series on rural local government, center for international studies cornell university, Ithaca 1974.

allows all year-round plant growth. Historically<sup>5</sup>, Taiwan is a product of the Chinese settlement which took place during the last three centuries. The Japanese occupation from 1895 to 1945 also left deep traces on Taiwan. The population density is very high. It has reached the level of 440 people per square km., or 1730 people per square km. of cultivated land<sup>6</sup>. This population density is, according to the author's opinion, a serious obstacle to maintaining and improving the quality of life, due to the limited space and the resulting pollution which now exist in Taiwan.

Politically, Taiwan has been, since 1945, in the hands of the mainlanders, i.e., the Kuomintang government and its followers, who, after losing to the communists on the mainland in 1948—9, came to Taiwan in great numbers. The mainlanders form the nationalist Kuomintang government which by means of military strength and US support has remained little challenged in power. The farm population and the FAs are, accordingly, local Taiwanese. That the Taiwanese have different political interests than the mainlanders is understandable.

Many key economic products are government controlled and produced by government corporations such as, for example, the Taiwan sugar company. A private capitalistic manufacturing industry has developed rapidly in the last years, often based on foreign capital and management. Economic production has increased a great deal in the last years, and the per capita income amounted in 1974 to approximately US\$ 400, measured as real income on the 1971 prices<sup>7</sup>. Taiwan's agriculture consists mainly of small-scale family owned and operated farms, (average size about one ha). By means of irrigation, chemical fertilizers, and an abundant labour force, they are able to produce large amounts of agricultural products on the approximately 900,000 ha available for cultivation. The dominant crop is rice. As for livestock, pigs are the most important animals kept. The Japanese embarked on an elaborate agricultural development programme during their occupation. The FAs were established during this period. The mainland government continued with agricultural development, based mainly on American support.

The most significant agricultural development measure undertaken by the mainland government is, with little doubt, the land reform carried out from 1949 — 1953<sup>8</sup>, which helped to equalize the farm-size and landownership. At a first glance, this reform may indicate a strong political position of the Taiwanese farmers, but it was more a result of the "environmental" circumstances which led to the land reform and only partially an expression of reduced political power of the mainlanders<sup>9</sup>.

Among the advantages which the government reaped from implementing the land reform, the following can be mentioned:

- increased production and supply of farm products;
- correction of the "failure" to introduce land reform on the mainland;
- relief from American pressure on the issue;
- increased support among the Taiwanese farmers;

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<sup>5</sup> See for example: Barclay, G. W., *Colonial development and population in Taiwan*, New York 1954. Kerr, G. H., *Formosa betrayed*, Boston 1965. MANCALL, M., (ed.), *Formosa today*, New York 1964. HSIEH, C.-M., *Taiwan — ilha formosa, a geography in perspective*, Washington 1964. Gallin, B., *Hsin hsing, Taiwan: A Chinese village in change*, Berkeley 1966.

<sup>6</sup> Source: EXECUTIVE YUAN, *Taiwan statistical data book 1975*, Taipei 1975, p. 5.

<sup>7</sup> EXECUTIVE YUAN, *op. cit.*, p. 23.

<sup>8</sup> See for example: Chen, C., *Land reform in Taiwan*, Taipei 1961.

<sup>9</sup> See for example: MENDEL, D., *The politics of formosan nationalism*, Berkeley 1970, p. 70, and *stavis*, *op. cit.*, p. 33 ff.

- weakening of the Taiwanese elite by reducing their economic and social control of the country-side, while simultaneously giving them a stake in the mainland regime by compensating for land expropriations with stocks in government corporations; and
- increasing the possibilities for direct taxation of the farmers, which were made by introducing the rice-fertilizer barter system and compulsory sales of paddy to the government.

In the years immediately following the land reform, the Taiwanese farmers benefited from it, but apart from the economic and social security gained through the land reform, the farmers lost, over the years, most of the direct income benefits<sup>10</sup>, which meant that the government and other sectors were able to reap benefits from the agricultural sectors during the two decades following the land reform<sup>11</sup>.

With the changed international political situation in the early seventies, i.e., international recognition of mainland China and the Vietnam war and the internal process of industrialization, the government adopted an agricultural policy more favourable to the Taiwanese farming population. This new policy resulted in some measures for increasing the agricultural productivity and farm incomes<sup>12</sup>. The result of this long development period is a highly area-productive agriculture, using modern technology. It should be noted that both the Japanese and the mainland governments have used Taiwan's agriculture to their own ends, which implies that the benefits of this development have been reaped by the Taiwanese farmers only to a limited degree, and they have remained a relatively weak population group from a politico-economic point of view<sup>13</sup>.

## 2.2 The Farmers' Association structure

### 2.2.1 The formal Farmers' Association structure

The FAs are, according to "traditional" western-oriented cooperative theory<sup>14</sup>, multipurpose cooperatives with limited liability. A modern definition of cooperatives considers them open socio-technical systems with such general cooperative attributes as<sup>15</sup>:

- the members have common interests,
- improvement of members conditions through economic activities,
- the members are both owners and users, and
- the double nature of being a business enterprise and a social group simultaneously.

10 JOINT COMMISSION ON RURAL RECONSTRUCTION, a brief report on farm income of Taiwan in Taipei 1973 (unpublished paper).

11 LEE, T.-H., *Intersectoral capital flows in the economic development of Taiwan 1895–1960*, Ithaca 1971, p. 66–93.

12 JOINT COMMISSION ON RURAL RECONSTRUCTION. *The Nine-point program for accelerating agricultural and rural development in Taiwan*, Taipei 1972 (unpublished paper).

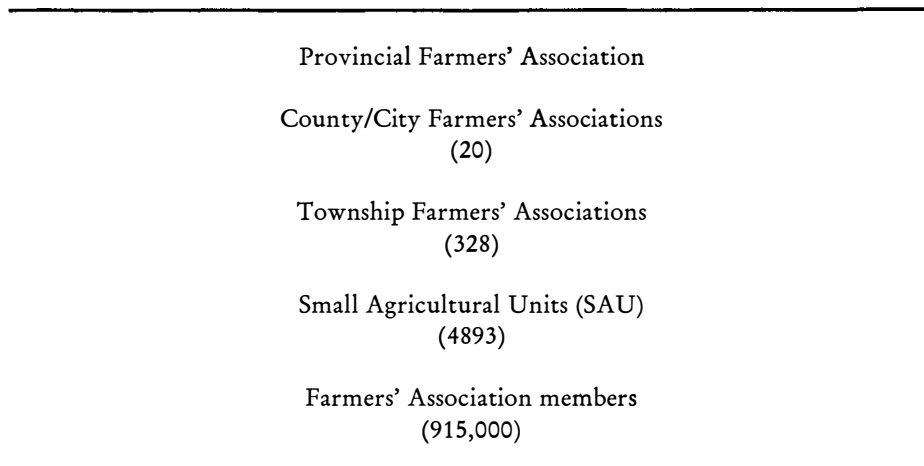
13 For more information on Taiwan's agriculture see for example: SHEN, T.-H., *Agricultural development on Taiwan since world war II*, Ithaca 1964 and Taipei 1972. SHEN, T.-H. (ed.) *Agriculture's place in the strategy of development: The Taiwan experience*, Taipei 1974. LEE, T.-H., and HSIEH, S.-C., *Agricultural development and its Contribution to Economic Growth in Taiwan*, JCRR Economic Digest Series No. 17, Taipei 1966. WANG, S.-H. and APHORPE R., *Rice Farming in Taiwan*. Three village studies, institute of ethnology academia sinica, Nankang 1974.

14 See for example: GHAUSSY, G. A., *Das Genossenschaftswesen in den Entwicklungsländern*, Freiburg im Breisgau 1964.

15 See for example: DULFER, E., *Operational efficiency of agricultural cooperatives in developing countries*, fao agricultural development paper No. 96, Rome 1974, p. 8–10.

The FAs can, in general, also be considered cooperatives. The formal organization of the FAs, set down in the FA law<sup>16</sup>, is so arranged that they are divided in a three level, federated structure. The boundaries between the levels and the units on each level follow the general government administrative set-up. The federated FA structure is illustrated in Figure 1.

**Fig. 1: Federated Farmers' Association Structure\***



\* The figures in brackets indicate the number of units at each level.

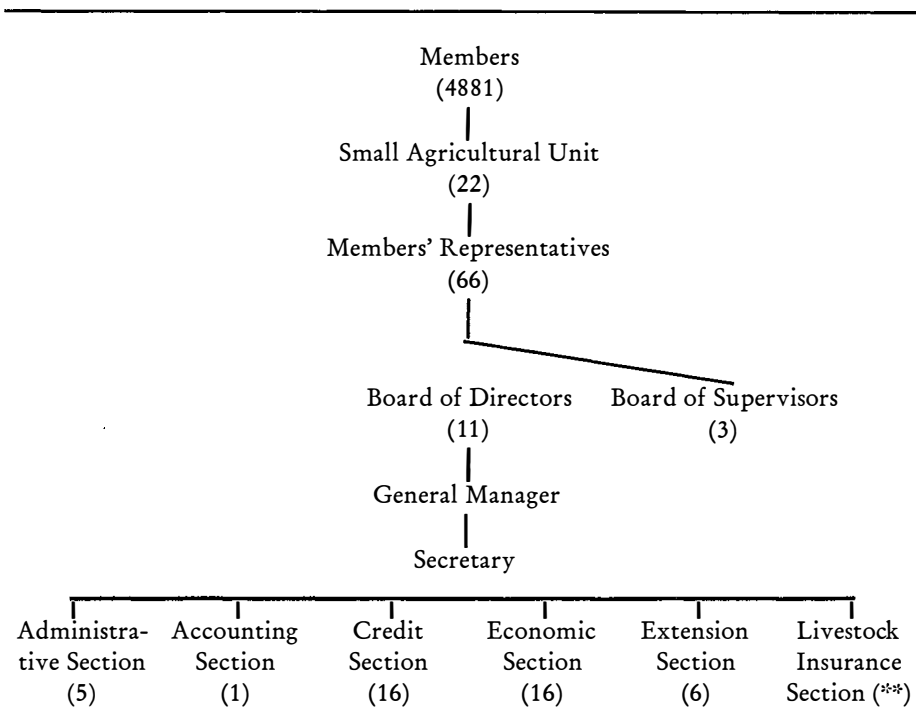
Figure 1 shows that the Township FAs set up in each village a small agricultural unit.

The formal organizational structure of the township FAs, which are the basic organizational units of the FAs, is outlined in Figure 2.

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<sup>16</sup> A english version is presented in kwoh, op. cit., pp. 93—117. This version was valid until 1974 when some amendments were made.

**Fig. 2: Formal Organizational Structure of a Township Farmers' Association\***



\* The figures in brackets indicate the "average" number of people in each category. See: LASSON, op. cit.  
 \*\* Included in extension section personnel.

From Figure 2, it is evident that the FAs are vertically organized in several levels. Membership in the FAs is voluntary. Any rural household which engages in agricultural production activities qualifies for FA membership, with one member allowed per household. About seventy per cent of the farm households are FA regular members. Even if membership is voluntary all farmers are still "compelled" to receive services from the FA, as the government "entrusts" it with such services as fertilizer distribution, collection of paddy for taxpayments, collection of mushrooms, etc.

Besides the FAs, there are in Taiwan only the Irrigation Associations and some few specialized export marketing cooperatives which might be classified as farmers' organizations. These two last types of farmers' organizations are, according to the author's observations, rather "technical" and bureaucratic in nature and leave little room for member influence on the decisions made. This means that the farmers are left with the FAs and the Kuomintang party as formal channels for expression of their political interests. Since the Kuomintang party is a "hierarchical" government organization, which is rather alienated from the farm population, the final consequence is that the farm people are left with the FAs as their only "political" organization.

The formal method of electing decision-makers in the township FAs is indirect elections in which decision-makers are democratically chosen. It operates as follows: the regular members elect members' representatives in each small agricultural unit

(the associate members have no right to vote). The members' representatives form the highest authority in the FA. They meet once a year to check and develop FA activities. The members' representatives delegate the duties of shaping FA policies and controlling the management to the directors and the supervisors respectively. The FA directors, in turn, employ a general manager who is in charge of implementing the policies laid out by the directors.

A general manager is employed by the directors to implement the FA policies. Horizontal differentiation is made by dividing the farm service activities according to "products". Accordingly each township FA has an extension, a credit, and an economic section. The last section takes care of both farm supplies and farm marketing.

### 2.2.2 The informal Farmers' Association structure

In connection with the formal FA organization, there are of course informal FA organizations. For example, friendship and clan groups. The all dominant informal organizations in the FAs are the factions<sup>17</sup>.

Because of the factions important role in FA decision-making, which will be illustrated later in this article, their organization should be further outlined at this point. Factions are, in the words of Nicholson<sup>18</sup>:

"A political system, or sub-system, characterized by the informal competition of a plurality of amorphous segments (factions) operating within a cultural context which places a high value on diffuse and unrestrained personal power and led by an elite whose orientations are self-centered and instrumental."

In Taiwan there are mostly two, sometimes more, factions operating in each township. The factions focus their attention on the two local government institutions: FA and local government. Control of these two organizations is the aim of all factions. The outcome is often that one faction manages to control the local government while the others control the FA. The factions are amorphous and are built by the core leaders who, by their unrestrained use of power and "scheming" behaviour, form the only substance in the faction. One exception to this rule is the influence of the clans, as clan membership in some townships determines to some degree factional membership.

Who are the faction core leaders? Traditionally, local leadership is provided by the local gentry<sup>19</sup> whose outstanding characteristics are education and wealth, which are both highly valued in traditional Chinese society. With the introduction of elections, the acquiring of a constituency has been added to the requirements for holding formal local leadership posts. The constituency requirement has also opened new avenues to leadership in that people who manage to win elections can thereby catapult themselves into leadership and, in many cases, wealth. But for a person without education and wealth to win elections is a very hard job indeed so the desire to ignore the "rules" becomes strong, and they are broken in many cases,

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17 See: GALLIN, B., Political factionalism and its impact on Chinese village school organization in Taiwan., in: Swartz, h., (ed.), Local level politics social and cultural perspectives, London 1968. STAVIS, op. cit., p. 101—103.

18 NICHOLSON, N. K., "The factional model and the study of politics", comparative political studies, 1972, p. 292.

19 Gallin 1968, op. cit., p. 377.



leading to the behaviour of the “black society” people who make use of all possible means to try to win elections.

As the factions are built by the faction cores, the members are only of instrumental importance when the possession of a constituency must be confirmed, i.e., when elections are held. The method used by the faction in member recruitment is mobilizing all the people from whom support can be expected. The “campaign workers” then go from house to house canvassing, trying to secure votes <sup>20</sup>.

Financial incentives are often offered to the voters. The amount depends upon the need for additional votes and the “distance” to the voter which must be bridged in order to assure his vote. The amount offered might accordingly vary from US\$ one to US\$ ten for one regular member’s vote. When it comes to such questions as assuring the decisive director’s vote for getting the “right man chosen as general manager, thousands of dollars might change hands in the deal. The “winning” faction must make sure after the election that their campaign costs are covered. This leads to financial irregularities in the FA during their regency.

It should be noted that the strength and activities of the factions vary a great deal from region to region, as well as within the regions. Some FAs are able to operate with little interference from the factions, while others are strongly influenced. The consequences of this influence will be taken up later in the article.

### 2.2.3 The Farmers’ Association activities

The activities of the FAs are, as mentioned above, centered on the provision of agricultural extension, credit, farm supplies, and farm marketing. In addition, a small livestock insurance programme is being implemented. In agricultural extension<sup>21</sup>, about one-third of the members maintain regular contact with the FA extension workers. To obtain agricultural credit, the FAs are the organizations the members most frequently turned to, although government banks and informal credit organizations are also relatively request credit sources<sup>22</sup>. As regards farm supplies and farm marketing, the FAs play a rather minor role, except for the government entrusted activities of distributing fertilizers, collecting paddy for payment of fertilizers and taxes, and collecting mushrooms and asparagus for export.

## 3. The Farmers’ Association decision-making

Under this heading, the actual analysis of the farmers’ association decision process follows. The decision analyses are based on the concepts of “behavioural” decision theory. The resultant model is an open decision model where decision-makers are assumed to try to satisfy their aspiration levels in a situation with less than optimum

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<sup>20</sup> Gallin 1968, *op. cit.*, p. 386 and LASSON, *op. cit.*, p. 177.

<sup>21</sup> See: LIONBERGER, H. F. and CHANG, H.-C., *Farm Information for Modernizing agriculture: The Taiwan system*, New York 1970.

<sup>22</sup> ADAMS, D. W., CHEN, H. Y., HSU, C. Y., *Rural Capital Markets and small farmers in Taiwan 1952–1972*, in: *Agency for international development (Aid), small farmer credit in East Asia*, vol. Xi, Washington d.C. 1973.



knowledge about the decision parameters. The data used in the analyses were collected in the township FAs in midwestern Taiwan in 1974. For more information see the listed sources<sup>23</sup>.

### 3.1 The influence of the environment on the Farmers' Association decision-making

The FAs, like other organizations, do, of course, not exist in a vacuum, but are related to their environment, particularly to its political, social, economic, and technical components. For the FAs, the government is the overall dominant factor of the environment. The nationalist government on Taiwan tries to create an image of a pluralistic society, but in reality it maintains a strong monolithic grip on the society<sup>24</sup>.

This explains why the only major environmental factor for the FAs is the government, as all other major institutions are also permeated by the nationalist government rule. The government's claim of regaining the Chinese mainland helps to legitimize the existence of a large army which lends muscle to the "permanent" martial law and offers many mainlanders an economic and social basis, as well as securing their loyalty to the government. With this political system and the FAs being an organization of the "ruled" Taiwanese, it is evident that a strong government influence on the FAs exists. In the following few paragraphs, this influence will be outlined in more detail.

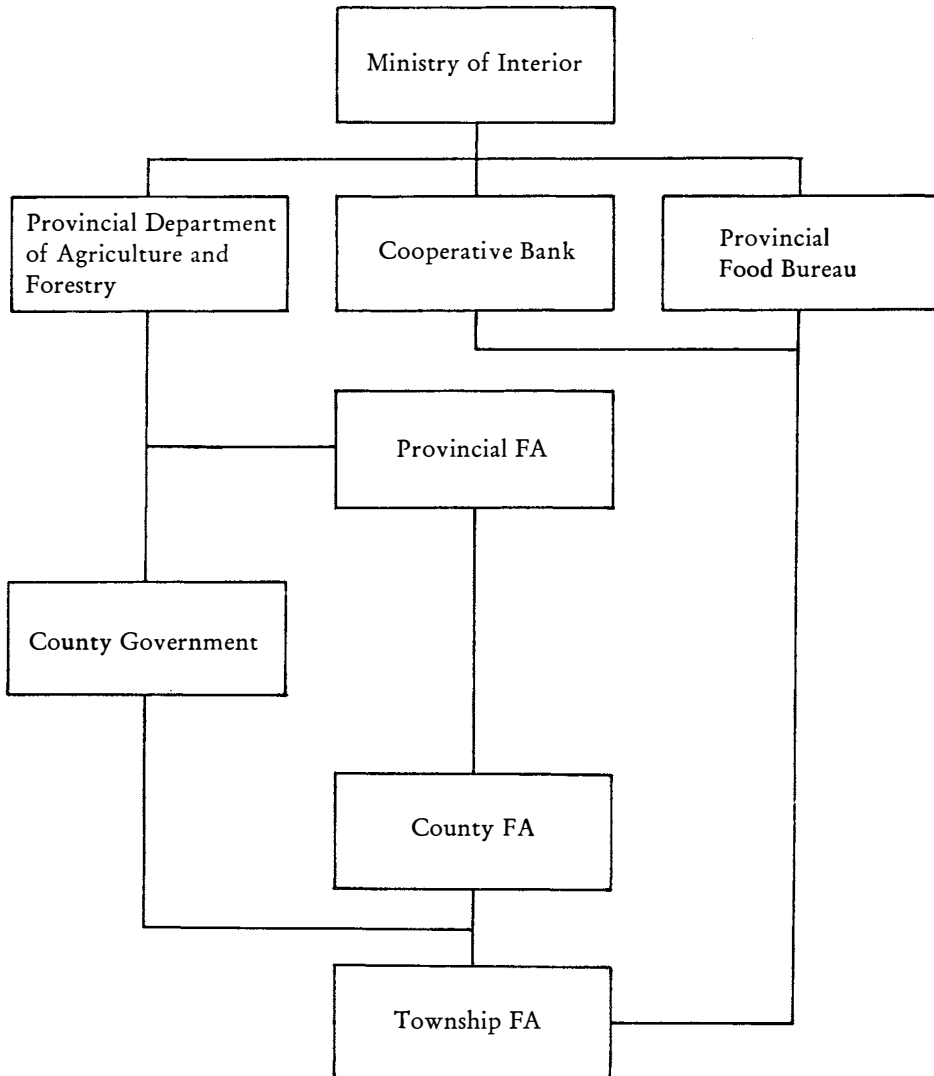
The formal influence the government has on the FAs is based upon the FA law<sup>25</sup> and the various regulations issued by the government which allow it to control the FA affairs.

The FA law and regulations are so comprehensive and detailed that they cover nearly every imaginable aspect of the FAs. To ensure that the FAs actually follow the laws and regulations, a large supervision system was developed. It is shown in Figure 3.

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23 See for example: BERTALANFFY, L. von, *General systems*, ann arbor 1963.  
KAST and ROSENZWEIG, *op. cit.*, SCOTT, W. G., and MITCHELL, T. R., *Organizations theory, a structural and behavioral analysis*, Homewood 1972.  
KAST and ROSENZWEIG, *op. cit.*, Kirsch, W., *Entscheidungsprozesse*, Bd. 1, 2 and 3, Wiesbaden 1970  
and ALEXIS, M., and WILSON, C. S., *Organizational decision-making*, Englewood Cliffs 1967.  
ALEXIS and WILSON, *op. cit.*  
HEINEN, E., *Industriebetriebslehre, Entscheidungen im Industrie-Betrieb*, Wiesbaden 1972.  
ALEXIS and WILSON, *op. cit.*  
KASTI and ROSENZWEIG, *op. cit.*  
24 See for example: ISRAEL, J., "Politics on formosa", in: Mancall, *op. cit.*, pp. 59 ff.  
25 See: KWON, *op. cit.*, pp. 93—117 or LASSON, *op. cit.*, pp. 359—375.

**Figure 3: Farmers' Association supervision system**



From Figure 3, it is evident that the FA supervision system was so developed that counter-checking is possible. The government takes no chances when collecting information, and the existence of multiple sources also helps to prevent that one source of information uses a monopoly position to serve other ends than those of the government. In addition to the openly declared FA supervision, the government operates a network of secret services which collect intelligence information. In each township FA there are one or more agents. These agents do not seem to interfere with the FA affairs directly, but rather watch out for general government opposition and “communist” agitators. Still their existence adds to the general atmosphere of insecurity and fear which exists in Taiwan and has, without a doubt, an unhealthy influence on the development of a “sound” autonomy of rural institutions.

The Kuomintang party runs an office in each township. One of its duties is to see that local elections turn out to the government's advantage. This is done by negotiations with the parties (factions) and by making sure that the "right" people become candidates and are elected to office<sup>26</sup>. There is no need to describe at length that these party activities conflict with the autonomy of the FAs. The criticism of "excessive" FA supervision should not be confused with the need for having linkages to the central power. An important aim of this linkage is to provide the "rules" which ensure that the local organizations serve the local community in general and do not become dominated by local elite groups which serve their own ends primarily<sup>27</sup>.

When drawing conclusions on the influence of the environment on the FAs, it must be mentioned that, in general, the government's influence on the FA decision-making is very strong indeed. So strong that one may consider the FAs a kind of executing agency for government agricultural policy. Still there is some autonomy left for the FAs in their management and activities. Not so much that they can in any way change the larger structure of the society, but so that it makes the difference in the FAs' performance evident when the performance is measured on their short-term immediate goal-achievement<sup>28</sup>.

The areas where some autonomy is left to the FAs include the following:

- Content of the service activities, especially in agricultural extension, farm supplies, and marketing. (All activity plans must receive government approval).
- Employment of general managers and personnel. (According to the new FA law from 1974 the general manager must be selected from candidates nominated by the government).
- Distribution of the benefits and costs of the services within the locality, e.g., allocation of credits, production quotas, etc.
- Day-to-day management of the FA.
- Opportunity for local leaders to get some "political training" and an eventual influence on higher level politics.

### 3.2 Participation of the members in the Farmers' Association decision-making

Regarding the question of the members' participation in FA decision making, two dimensions are judged to be of particular importance for the topic of this article, namely the question of the members' participation in decision-making and elite formations in the FAs.

#### 3.2.1 Participation of the regular members in FA decision-making

The regular members' participation in FA decision-making is partly a product of their cognition in this respect. Their conception of decision-making in the FA influences their decision behaviour. The responses to some questions about this matter are brought in Table 1.

26 STAVIS, *op. cit.*, pp. 54 ff.

27 See for example: UPHOFF, N. T., and ESMAN, M. J., *Local Organization for rural development: Analysis of asian experience*, special series on rural local government, center for international studies, cornell university, Ithaca 1974, p. 15—16.

28 LASSON, *op. cit.*, p. 87 ff.

**Table 1: Regular Members' Conception of Their Farmer Association Decision-maker Role\***

Question	Answer	Percentage
What group of people do you think the FA belongs to? (N = 337 regular members)	Members*	65.3
	Government**	13.4
	Personnel	6.8
	Directors	6.8
	Others	2.7
	Don't know	5.0
* Why do you think the FA belongs to the members? (N = 337 regular members)	Because they control the FA	49.5
	Because the FA provides farm services	40.5
	Don't know	10.0
** Why do you think the FA belongs to the government? (N = 45 regular members)	Because the government makes the major decisions	73.3
	Because it is a government commercial organization	22.2
	Don't know	4.5
In your opinion, who has the most power in making decisions about the FA programme of work? (N = 337 regular members)	Members, representatives	4.2
	Directors	27.9
	General manager	42.1
	Section chiefs	3.6
	Government	7.1
	Others	1.5
	Don't know	13.6
Do you think the general manager plays a crucial role in the success of the FA?	Yes	89.9
	No	2.7
	Don't know	7.4
Do you feel you have any influence on the directors in respect of the FA decisions they make? (N = 337 regular members)	Yes	16.6
	No	77.6
	Don't know	5.8
Do the directors really represent the members in the FA? (N = 337 regular members)	Yes	60.6
	No***	16.6
	Don't know	22.8
*** Who other than the members do the directors really represent? (N = 60 regular members)	Themselves	39.3
	The factions	36.1
	The clans	18.0
	Other groups	6.6

\* The original questions in this and other tables were presented in Chinese so the phrasing here only conveys the content of the questions.

From Table 1, it can be seen that about two-thirds of the regular members are of the opinion that the FA is “their own” organization. About half of the regular members who hold this opinion give as the main reason their control of the FA. This means that about one-third of the regular members perceive the FA as being a member-controlled association organization. Another group of regular members sees the organization as “their own” because it delivers farm services. This opinion probably indicates a rather “consumptive” behaviour towards the FA. Another determinant of the regular members’ decision behaviour is their perception of the FA directors. From Table 1, it can be seen that about sixty per cent of the regular members are of the opinion that the directors represent them in the FA, which seems to be a rather low figure. A large proportion of the regular members believe that the directors serve other purposes than those of the members. When considering the role of the factions, this result is not surprising. When it comes to influencing the directors, the result is even less convincing. Only a small minority believe that they have an influence on the director’s FA decision behaviour.

It is well-known that the general manager, who is an employee, has a strong influence on the FA decisions. This is also reflected in the regular members’ answers to the two last questions in Table 1, from which it is evident that they accord the general manager with a large decision-maker role in the FA.

The regular members actual participation in the FA decision process is illustrated by the figures in Table 3.

**Table 2: Regular members’ decision process participation**

Question	Answer	Percentage
Do you sometime makes suggestions about problems and activities which the FA should deal with? (N = 337 regular members)	Yes	35.9
	No	64.1
Do you ever express your opinion about the usefulness of the activities of the FA? (N = 337 regular members)	Yes	34.4
	No	65.6
When you don’t agree with the decisions made by the board of directors, what do you do? (N = 337 regular members)	Nothing	52.8
	Protest to FA personnel	6.5
	Protest to Fellow members	16.6
	Protest to government	0.6
	Protest in FA meetings	13.4
	Don’t know	10.1

From Table 2, it can be seen that about one-third of the regular members participate in the FA decision process in that they make suggestions and evaluate the activities. The reaction to disagreement with the director decisions is mixed, as is

to be expected. The majority undertakes nothing, some express their frustration to fellow members, and about twenty per cent channel their disagreement to the FA personnel or office bearers. If actual decision-participation is measured by the casting of votes at the FA elections, it is without doubt high, but because of the methods used by the factions to “mobilize” the voters this indicator is of limited value for judging the “real” decision-participation.

### 3.2.1 Elite-building in the farmers’ associations

By elites<sup>29</sup> in the FAs is meant the segmental power elite. This is made up of the prime personalities in the FA decision-making and is therefore of relevance for this article.

The first question which arises in connection with the FA elites is whether the elites lie outside the formal FA structure. This does not seem to be the case. Factional leadership is assumed by the core leaders themselves, and they cannot delegate without the risk of sliding away from their core position. The same seems to apply for the formal leadership. They must take part in the “complex and hectic” FA life, or the knowledge of the situation which is necessary to make the “right” decisions will not be available to them.

The second question, in connection with the FA elite, is its socioeconomic situation. This is based on the assumption that only if the elite shares the same social and economic conditions as the members which it “represents” can it perceive the members’ “real” situation, and act according to the members’ interests. To test this proposition, a number of t-tests were made on basic socioeconomic characteristics of the directors, members’ representatives, and small agricultural unit chiefs, comparing them with the regular members. The results are shown in Table 3.

The t-test is a statistical analysis of the “true” difference between group means, in this case between the mean values of the regular member group variables and those of the director, members’ representatives, and small agricultural unit chief groups respectively.

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<sup>29</sup> For a general discussion see: KELLER, S., “Elites”, in: SILLS, D. L. (ed.), *International encyclopedia of the social sciences* 1968, vol. 5, p. 26—29.

**Table: Comparison of Regular Members Individual Characteristics with those of the Directors, Members' Representatives, and Small Agricultural Unit Chiefs**

Variable	Indicator	RM N = 337	Directors N = 40	t- value	Members' Repre- sentatives N = 28
Sex	per cent male	93.5	97.5	1.42	91.
Age	No. of years	51.74	48.10	2.05*	52.
Household Size	No. of persons	7.07	8.13	2.01*	7.
Formal Education	No. years	3.76	6.18	5.19***	5.
Land Cultivated	No. ha.	0.88	1.19	2.32*(*)	1.
Tenure Status	Degree Self-owner	0.91	0.91	1.34	0.
Socioeconomic Status	Score	249.85	266.16	4.65***	263.
Total Use of FA	Score	199.46	218.83	8.02***	211.
Individual Goal-achievement	Score	200.07	211.93	8.42***	208.
Production Intensity	Score	100.06	106.65	3.48***	106.
Innovation Adoption	Score	199.77	208.33	3.06***	204.
Attitude to Personnel	Score	50.07	52.86	2.85**	51.
Mass Media Use	Score	99.86	109.91	8.00***	107.
Volume of Credit	NT\$	19,586	29,469	1.45(*)	31,9
Volume of Farm Supplies	Score	4.53	5.05	1.89*	4.
Volume of Farm Marketing	Score	2.20	2.78	2.47**	2.

\*) T-test. Significance levels: \*\*\* = .001, \*\* = .01 and \* = .05.



Table 3 shows that the differences in the directors' socioeconomic characteristics compared with those of the regular members are considerable, with the directors favourably situated, although in absolute terms not so large, due to the relative homogeneous farm structure which exists in Taiwan.

Concerning the members' representatives, the same situation is to be found, but not as distinctly. As to the small agricultural unit chiefs, the only major difference to the regular members is the amount of formal education and use of mass media. They even have less cultivated land than the regular members and seem to be more a kind of "enlightened community service workers" than a social elite expanding its position through FA leadership. The Socioeconomic conditions of the directors and the members' representatives are so different from those of the regular members that one may question whether they are really able to "represent" the regular members' interests. Still the directors are not a "remote" upper class prospering from other people's labour, but rather they are village farmers performing manual labour, so that a certain similarity in interests is bound to exist.

It should be mentioned that the head of the FA power elite is in many cases the general manager. He often stands behind the whole election machine, operating it to make the directors finally "employ" him as the general manager. This practice is often carried out with the help of factional intrigues. But sometimes such general managers are local leaders of exceptional capabilities who, while simultaneously further improving their status by FA leadership, are able to manage the FA and turn it into a high-performing farm service organization. The general managers are, in nearly all cases, local residents who, even without their FA job, belong to the local elite<sup>30</sup>.

The question of the directors' social position brings up the matter of the formal decision-makers recruitment. The directors may be elected to office for two consecutive terms ( $4 \times 2 = 8$  years). The members' representatives may be reelected without any legal limitations as to the length of the term of office. The same applies to the small agricultural unit chiefs. Candidates for these three types of formal decision-maker jobs must be regular members. Until the FA reorganization in 1952, the FA formal leaders were recruited from the rural elites which existed on the basis of their social and economic control of the countryside. This was a reason for dividing the FA membership into two groups of regular members and associate members to ensure that only "bona-fide" farmers are in control of the FA. This goal has, as seen above, only been achieved to a limited extent.

The "successful" recruitment of formal FA leaders also depends on the availability of candidates prepared to perform these roles. The regular members were questioned in this respect. The answers are shown in Table 4.

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<sup>30</sup> LASSON, *op. cit.*, p. 140.

**Table 4: Regular members' willingness to accept FA leadership office**

Question	Answer	Percentage
Would you accept the post of a small Agricultural unit chief? (N = 337 regular members)	Yes	17.2
	No	78.8
	Don't know	4.0
Would you accept the post of a Members' Representatives? (N = 337 regular members)	Yes	17.5
	No	80.4
	Don't know	2.1
Would you accept the post of a FA director? (N = 337 regular members)	Yes	12.8
	No	85.7
	Don't know	1.5

Based on an "average" township FA with 3,400 regular members, 66 members' representatives, 44 small agricultural unit chiefs, and 11 directors, the answers in Table 5 show that for each small agricultural unit chief post 13.3 potential candidates were available; for the members' representatives, the figure is 9.0; and for the directors 39.6. These figures seem to indicate that a sufficient pool of potential decision-makers is available.

The procedure for the election of the directors, is, as mentioned above, an indirect election which, by its nature, tends to favour conservative policies and lessen the members' direct control over decision-making. The regular members were asked their opinion on the suitability of this election system. Only 46 per cent were in favour of the system, while 36 per cent disagreed, and 18 per cent did not know an answer to the question. These answers indicate widespread dissatisfaction with the system. Of the regular members who disagreed with the election system, 80 per cent were in favour of direct elections for the director posts. They believe that if the directors had to campaign directly in front of the voters it would be possible to get better candidates elected, to control them better, and cut the power of the factions. One might consider the formal decision-rules as "optimal". It is then of interest to analyse how far the actual decision-making deviates from the formal decision-making. From the discussions already presented, it is evident that there are considerable differences between them:

The government's FA policy is one cause of the just mentioned discrepancy. The FA law says: "For and by the members", but the same law and the FA regulations provide for direction and control of the FAs to such a degree that the "member rule" is only to a limited extent possible, alone from the legal side.

Another "external" factor of disturbance in "optimal" elite-building is the traditional local elite, which still exists in Taiwan, although their power was reduced by means of the land reform and industrialization. Still these elites exercise much influence on the clans and other social groups as well as being the symbol figures of the traditional Chinese society with its paternalistic rigid patterns which are a hindrance to the application of "democratic methods".

Another discrepancy lies in the “dominating” decision-maker role of the general manager. As already shown, the general manager is far more than an employee executing the FA policies. He is often referred to as: “The captain steering the FA through all storms.” Although the general manager’s professional capacity is often needed, this can easily lead to paternalistic behaviour on the part of the general manager towards other decision-makers in the FA.

A last, but major, factor disturbing implementation of the formal FA decision rules is the factions. In FAs with strong factional influence, the factional rules apply. In principle the “ruling” faction reaches its goals at the cost of the other factions<sup>31</sup> and the members as a whole.

In agricultural extension, which is a socially sensitive subject, factional influence leads to conflicts between the FA and the township government extension workers, and it makes extension work with “oppositional” faction members difficult. The production quotas for mushrooms and asparagus are also distributed by the FA extension section and, accordingly, often to members of the “ruling” faction. In agricultural credit, the factional activity leads to the favouring of the “ruling” faction in the distribution of credits and to less deposits by the “oppositional” factions.

In farm supplies, the ruling faction is, for example, able to allocate the “right” amount of fertilizers for themselves. And in farm marketing they can deliver “wet” paddy, while the “opposition” faction members must return home with their paddy if it is not up to the standards.

#### **4. Conclusion on the consequences of the Farmers’ Associations decision-making for rural development**

When evaluating the outcome of the FA decision-making one must go retrospectively see how the questions raised in the introduction are dealt with by the FAs. Are the FAs able to make decisions leading to “effective” farm services? How are the farm service benefits distributed in the FAs? Do the FAs ensure participation by the rural people in rural development decisions? And are the FAs an instrument for the emancipation of the Taiwanese farmers?

The question as to whether the FAs have been able to provide the farm services needed for rural development is to be answered positively, but with some limitations<sup>32</sup>. The FAs have actually been able to perform farm services, although only relatively “simple” ones. All farmers have received their fertilizers, new rice seed varieties have been distributed, saving and credit services have been offered, and paddy collected as payment for fertilizers and taxes as well as mushrooms and asparagus for export. Still most services have been such “entrusted” by the government, primarily to its own ends. The FAs have not been able to establish differentiated integrated farm services for using “modern” technology and controlling the input and output markets. With the present political system in Taiwan such FA farm services are of utopian nature anyway, even if they themselves were able to provide these services.

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<sup>31</sup> See: LASSON, *op. cit.*

<sup>32</sup> See: LASSON, *op. cit.*

Farm services within the FAs are not evenly' distributed, although monopolizing by certain groups only occurs in such FAs where the factions are strong, and then only as regards the "self-initiated" services, such as agricultural extension and provision of credits.

From Table 3 it can be seen that the FA elites, i.e., directors and members' representatives, are able to benefit significantly more from the FA services than the regular members. The elite's use of FA services and their individual FA goal-achievement is significantly above that of the regular members. This fact raises the question whether the FAs "autonomy" is a means for the local elites to use the FAs to enhance their position. This seems to be the case in FAs with strong factions. The problem can probably not be solved by less autonomy for the FAs, as this would lead to bureaucracy and other evils of government farm services. A more effective solution would probably be for the government to strictly supervise the FAs in elections and book-keeping and not to participate itself in the factional game. Direct elections and "real" autonomy of the FAs would probably also enhance their self-control and ensure less dominance by the local elites as the mass of rural people would be more interested in the organization.

The participation in the FAs is, when judged by the participation in the FA affairs as such, taking place. This is evident from the figures in Table 2 which shows that a rather large portion of the members direct their thoughts to the decisions in the FA. From the author's observations it is also evident that the FA is no dead issue in the countryside, although many farmers are not actively involved in FA decisions and show a rather passive "consumptive" behaviour towards the FA. Even if it is not to be expected that all members show interest in the FAs, the split into "active" and "dormant" members in respect to decision-making is probably not a "healthy" sign and is most likely a result of the factional behaviour in the FAs.

When the participation is judged in terms of the members' participation in the more serious and fundamental questions about the development of the rural areas, it must be said that the outcome is rather negative. Apart from making some few "suggestions" to the government, the FAs do not exercise any significant influence on the development in Taiwan.

The government's control of the FAs is strong indeed, and so are the factional elites in many FAs, so one may perhaps only speak of "sanctional member participation" in the FAs.

The last question as to whether the FAs are an instrument for general emancipation of the Taiwanese farmers has more or less been answered in the previous paragraphs. The FAs have not been able to improve the relatively poor income-situation of the Taiwanese farmers<sup>33</sup>. The social security of the farmers has been improved by the land reform, which the FAs helped to implement, but otherwise the FAs have not been able to elaborate any "social legislation" or programmes, except for the minor social components of their extension work. Of course the very existence of the FAs is a social security measure to some degree, in so far as the partial control of farm service functions, i.e., their activities and profits might be considered social security. The FAs have also not provided the Taiwanese

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33 See: JOINT Commission on Rural Reconstruction 1973, op. cit.

farmers with a “voice” in the more important affairs of the society. It is only able to make a humble “suggestion” to the government on certain occasions. Still the FAs are the only “political” organization which the Taiwanese farmers have got, so for strategic reasons the FAs are most likely a desirable organization which they should try to maintain<sup>34</sup>.

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<sup>34</sup> See: STAVIS, *op. cit.*, p. 102.

between the rates of increase of agricultural production and of population can be solved.

## The Decision Making Process in the Farmers' Associations in Taiwan

By AKSEL DE LASSON

This article is an attempt to ascertain the decision-making in the Taiwan Farmers' Associations in respect to its consequences for rural development. The Farmers' Associations in Taiwan are a kind of multipurpose cooperatives. They are organized in a tri-level federated structure. The local organizations of the Farmers' Associations are those at the township level. The township farmers' association form the main body of the farmers' associations. They are 325 in number and have about seventy per cent of the Taiwanese farmers as members, as well as many rural town inhabitants who use the FAs as banking services. The farmers association serve multiple functions, namely the four functions of: Agricultural extension, agricultural credit, farm supplies and farm marketing. The FAs are electoral organizations with equal rights for each member, according to the formal decision-rules of the FAs.

The elected policy-makers employ a general manager to execute the policies agreed upon. Among the informal organizations in the FAs, the factions are strong, and sometimes play a dominating role in the FAs.

An open decision model was used to analyse the decision process in the FAs. This is considered as one of the processes in a system-theoretical approach to the studies of the FAs. The open decision model works on the assumption that full information on the decision variables is not available, and the decision-makers try to satisfy in a situation of uncertainty.

The FA decision-making is heavily influenced by environmental factors. The government has issued a "restrictive" FA law and many regulations which set limits to the decisions in the FAs. The area of autonomy left for the FAs in making decisions is rather limited due to this policy of the government. Still some room is left for the FAs to enforce their will.

The FA members can not be said to be very motivated in respect to their decision-maker role and are aware that they have only a limited influence on the decisions made in the FAs. Still their participation in actual decision-making is considerable. The elites which govern the FAs are recruited from among the "ordinary" farm population. The directors are, in any case, people much better socioeconomically situated than the members in general, which indicates that the FA leadership is in the hands of the traditional local elite. Another group of FA formal leaders are the faction core leaders. These faction leaders use all available means to achieve their own ends. The consequence of this decision situation in the FAs is that there is a considerable discrepancy between the formally established, and probably desirable, decision-rules and the actual decision-making, with a negative effect on their performance as rural development agencies.

The FAs are still able to provide farm services, at least in the form of a "minimum" packet, whereby the farm service goals of the government and the FA personnel receive higher priority than those of the members.