

# CHINESE BUSINESS HISTORY

Zhongguo Shangye Lishi

Volume 3, Number 1

November, 1992

## *The Role of Culture in Taiwanese Family Enterprises*

Joseph Bosco, Anthropology  
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Small factories have played a major role in Taiwan's rapid industrialization. In 1980, 67 percent of factory workers worked in factories with less than 100 employees (Deyo 1987:195), and the percentage would be even higher if unregistered underground factories could be included. Many of these small factories are family owned.

The most frequently cited explanation for this plethora of small family factories is that Taiwanese culture leads to the preference for family firms. As evidence, a Chinese saying is often quoted: "It is better to be the head of a chicken than to be the tail of an ox" (*ningwei jikou buwei niuhou*), meaning it is better to be the head of a small firm than to be an employee in a larger firm.

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**Inside: K. C. FOK -**

***Business History Documents***

***in Hong Kong***

**see page 4**

## *Law and the Underground Economy in Taiwan*

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Underground (or informal) economic activity can be distinguished from both criminal activity and regulated economic activity. If underground economic activity is defined as unregulated activity in a legal and social environment where similar activities are regulated (Alejandro Portes, Manuel Castells and Lauren Benton, *The Informal Economy*, 1989, p 12), it becomes clear that the study of underground or informal economic activity directly implicates the role of the legal system in society. According to one recent estimate, in 1986, the underground economy accounted for approximately 40% of all economic activity in Taiwan. (Chai Sung-lin, *Taiwan de dixia jingji: xingcheng yuanyin, zhonglei fenbu, guce guimo, yingxiang he duice* [The underground economy in Taiwan: causes, categories, magnitude, repercussion, and policies], unpublished paper). This represents a very significant proportion of economic activity, especially when contrasted with estimates for countries such as the United States, where underground economic activity is thought to be closer to 10% of all economic activity.

The existence of such a large informal economic sector in Taiwan raises questions about the nature of legal regulation and the effectiveness of formal state apparatuses in modern Taiwanese society. These questions, arising out of evidence of contemporary business practices in Taiwan, resonate deeply with a

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Two theoretical perspectives have argued that a special family logic explains family factories. We can call the first a "modernization" perspective. This assumes that a traditional mentality stressing ascriptive statuses and ties prevents the creation of modern, rational industry. This view, especially prominent in the 1950s and 1960s, held that modern industry would gradually supplant the more primitive native industries. Marion Levy (1963:354), for example, wrote of China in 1949 that "modern industry and the 'traditional' family are mutually subversive."

Taiwan has nevertheless developed at a very rapid pace with family factories. While the contribution of small and family-owned factories to development is widely recognized, it is now frequently argued by government planners that because these factories are small and have limited capital, they are becoming a block to Taiwan's future development in more highly technical and capital-intensive industries. Small factories are fine, the planners argue, for knitting sweaters and for sewing vinyl handbags, but they are unable to do the research and to provide the capital necessary for manufacturing video monitors and computers.

The second perspective that claims a special family logic is responsible for the large number of family factories can be called a "dependency" perspective. This perspective, often referring to a "domestic mode of production" or to "peasant production," argues that entrepreneurs follow a peasant mentality and seek ownership despite low wages and long hours. These entrepreneurs often have little autonomy and bear much of the risk for larger enterprises in cases of economic slowdowns. Family members must work long hours in what amounts to 'self-exploitation' (Gates 1979), contributing to national development at a high personal price.

These theoretical perspectives only provide a partial view of small factories in Taiwan and fail to explain Taiwan's rapid, small-scale industrialization. Though traditional cultural patterns play an important role in creating family factories, at least as important are the current socio-economic conditions that make traditional patterns relevant to modern industry and indeed intensify traditional patterns.

Both to understand the "Taiwan Miracle" and to deal

with Taiwan's future development, it is important that the island's current reliance on family enterprises be correctly analyzed. Most analyses lay heavy emphasis on culture: traditional Chinese family orientation and particularism leads businessmen to prefer family ownership to partnerships and joint stock corporations. In other words, a Chinese mentality, which appears even (if not especially) in Hong Kong and in Southeast Asia, leads Chinese to prefer family ownership.

This cultural explanation implies that entrepreneurs would not persist in family factories were it not for their traditional mentality. This theory therefore assumes owners of family factories are making a financial sacrifice. But this is not the case; all informants I interviewed, both workers and entrepreneurs, believe entrepreneurs make more money than they could as employees or factory managers. When their enterprise is not making money or actually losing money, entrepreneurs do not hesitate to change business. One factory that made rain parkas for export to the US found its profit margin slipping so changed business and began making bags for agricultural feeds and fertilizer. Another informant manufactured a wide variety of electrical components, depending on what contracts he could find and what was most profitable. He began making the electrical plugs and chords for shavers, then found that he could make a small fortune by cutting color coded wire to specified lengths for other factories. More recently, he has been making transformers, a smelly and polluting process which he can do with little regulation and thus more cheaply in the countryside.

The question that now arises is whether entrepreneurs could make more money if they brought into their enterprise other shareholders or partners. Most new businesses in the US are also family owned, but to assure the continued profitability, viability, and competitiveness of the business, families take on outside investors and, as a result, give up some control over the business.

Informants in Taiwan are constantly discussing, evaluating, and estimating the profitability of business opportunities. In my interviews, I found a number of partnerships; in some cases managers had minor equity stakes in the enterprise and in other cases no single owner held over half the shares. Indeed, partnerships are just as "traditional" a form of Chinese business as family firms (see Fried 1974). It is

**Economic and Business  
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Abstract deadline: January 15, 1993  
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not from ignorance or habit that Taiwan's entrepreneurs tend to form family factories. There are several important advantages to family ownership in Taiwan.

Until recently, factories in Taiwan used labor-intensive processes that have limited economies of scale. The family worked with hired workers, thereby avoiding hiring non-producing supervisory personnel. Family control over sources of contracts and secrecy on key manufacturing processes were necessary to prevent copying by neighbors and others. Much of the manufacturing in Taiwan still uses relatively simple technology to produce components, so family secrecy is still valuable. In other cases, the enterprise uses sophisticated small machinery imported from Japan that offers manufacturing flexibility but little economy of scale. Family control over business contacts helps prevent employees from going into business for themselves.

Also important is the avoidance of taxes and government regulations. Families can dodge taxes by underreporting business volume or overreporting expenses. Most family factories are part of the informal economy and are unregistered (see Winn in this issue). This means that the factories lack certain licenses or are in violation of various regulations. One handsaw factory, for example, which made only a few models of handsaws for the domestic market, was registered as a commercial business but not as a manufacturer. Several factories located in villages or on land registered for "agricultural use" cannot be registered as factories without special permits, which will be sought through personal connections once the factory is successful enough to require it.

Another reason family ownership has been common is the primitive state of banking in Taiwan. Banks have until about 1991 operated as pawn shops, lending not against future profits but against assets. Entrepreneurs therefore depend on family, relatives, and friends for start-up capital. Lack of credit leads existing firms to subcontract with other small factories rather than invest in further manufacturing capacity or in new equipment. Entrepreneurs all assemble capital from their social networks, creating family dominated firms.

Another important factor leading to family rather than corporate ownership of firms is the lack, until 1987, of true limited-liability in Taiwan's laws. If a factory had a cash flow problem and went bankrupt, the person who wrote the bad checks would be personally liable and guilty of a criminal offense. To limit liability, factories were often registered in the name of married women: the state could then seize only her personal assets, not her husband's or her entire family's assets. With such high personal risks, it is not surprising that few factory owners sought outside investors: with the outside money would come a dilution of family say in the running of the factory, but the risk in case of failure would still rest disproportionately with the major owner.

The Chinese family is a pre-existing entrepreneurial unit that has been well-suited to operate small factories. For centuries, Chinese farmers have operated their farms in a commercialized environment. Taiwan entrepreneurs are not merely following a "peasant mentality" but are adapting their family institutions to new situations. They are using their culture as a set of tools to solve their problems; they are not forced by their culture to behave in "traditional" ways.

Arguments that explain Taiwan's family factories as the result of a special traditional mentality use a notion of culture that is too static and reified. It does not help us understand the dynamic changes occurring in Taiwan. The family itself is changing in important ways. In contrast to traditional practices where sons and daughters-in-law turned over any outside income to the family head, sons nowadays usually just contribute a fixed amount to a common expense budget and daughters-in-law keep all their wages. The mother-in-law, far from retiring and being served by her daughter-in-law, now serves as a baby-sitter as young people seek wage work.

I have stressed the important economic and political factors that have led to the creation of Taiwan's ubiquitous small family factories to move away from the static, reified notions of culture that underlie most discussions of Taiwan industry. The traditional entrepreneurial family has survived and moved into industry because of the political and economic environment that made it advantageous. Under the circumstances, state effort to "re-educate" entrepreneurs so they will take on outside investors are misdirected. With the higher cost of labor and the shift of many labor-intensive industry to mainland China and Southeast Asia, family factories are now feeling pressure to either perish or to upgrade with outside capital. Small factories have developed as an adaptation to the political economy of Taiwan, not from the operation of a cultural ideal. The system of subcontracting to keep wages low is being used world-wide (Mattera 1985; Cook 1984), and is part of the operation of modern capitalism, not Chinese culture.

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Joseph Bosco's current research is on the networks and cultural advantages of Taiwanese businesses in Southeast China. The above article is based on research for his dissertation "Rural Industrialization in a Taiwanese Township." (Anthropology, Columbia University, 1989). He was formerly Associate Director of the Taiwan Area Studies Program at Columbia University.

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## Sources

### PRIVATE HONG KONG DOCUMENTS AND THE STUDY OF CHINESE BUSINESS HISTORY

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The important role played by Hong Kong in modern China's foreign trade and business activities is a very understudied chapter early as 1866, the total China trade value for Hong Kong had already surpassed 61.1 billion.<sup>1</sup> In 1885 Hong Kong's share in China's total trade was 33.1 percent. Two years later it rose to 46.8 percent and in 18903 it was a record high of 48 percent.<sup>2</sup> From hence on until the end of the Ch'ing dynasty, Hong Kong's share of China's total trade was able to maintain an average of about 30 percent.<sup>3</sup>

Whereas trade figures are at hand to indicate a rapid increase of trade between Hong Kong and China starting from the second business operations and trading activities. Government archives and other publications very seldom refer to the activities of Chinese merchants and even if they do, they only make the most fleeting remarks on them. The contemporary English and Chinese newspapers fare a little better. Nevertheless, they can add only a few scattered and fragmentary pieces to the puzzle. Fortunately, some important private source materials about the business undertakings and connections between Chinese merchants in Hong Kong and China during the modern period have been uncovered and acquired.<sup>4</sup>

These source materials include the private business letters (*shang-yeh hsin-cha*), account books (*chang-pu*), and annual reports to shareholders (*nien-chieh*) of Chinese business firms and merchants in Hong Kong and other miscellaneous documents such as bank IOUs, certificates of shares of Chinese enterprises like banks, drug stores, hotels, land development companies, steamship companies, etc.<sup>5</sup> Most of these Hong Kong private documents fall into the 1920's and 1930's but there are also quite a few

deposited in the Hung On To Memorial Library of the University of Hong Kong while quite a lot of them still remain in the hands of private collectors.<sup>6</sup>

The business letters examined by the author amount to over 1,000 so far, whereas, there are at least several hundred account books and annual reports of business firms preserved in Hong Kong. The letters are business correspondence between a few prominent Hong Kong Chinese business men and their business associates and clients in China and overseas. These letters reveal that during the late Ch'ing and Republican periods business networks were often set up between prominent Hong Kong businessmen and their business clients and associates from North America and Southeast Asian countries. Such business networks functioned somewhat like this. The overseas buyers would place orders on the Hong Kong businessman for various commodities to be acquired from different parts of China and Hong Kong and often time on credit. The Hong Kong businessman used to have his own network of business firms inside China, and through such firms he could advance payment to acquire the purchase for the clients overseas and also for various other business purposes.<sup>7</sup> A preliminary study into these private business letters shows that the overseas business associates were located mainly in such North American cities as Vancouver, San Francisco, Sacramento, Edmonton, New York, and Calgary. As to the Southeast Asian business clients, it is found that they mainly came from the cities of Saigon, Java, and Pnom Penh.<sup>8</sup>

About 100 *nien-chieh* have been examined by this author. They belong to Chinese firms located in Hong Kong, Macao, the United States, China, Mexico, Vietnam, etc.<sup>9</sup> Some of the businesses they deal with include imports and exports of fabrics, Chinese herbs and medicine, tea, incense and electrical appliances. There are also amongst them a few which are restaurants, hotels, insurance companies, paper-making and match-manufacturing companies. Most of these annual reports to shareholders are printed pamphlets but there are also a few handwritten ones. A large majority of them fall into the Republican period while occasionally we may find a few of them dating back to the late Ch'ing period. Under the entries for income and expenditure of the firm are listed the firm's business clients which can be individual businessmen, firms, or banks. Every now and then the names of the shareholders and senior executives of the firm may appear.

It is important to point out that none of the business clients mentioned in these *nien-chieh* is a foreign merchant or a foreign firm. The exact addresses of the clients are most of the time not entered into the report. This raises the difficulty for the researcher of having to take pains to identify them. The surname of each client is also, more often than not, omitted. Only the client's first and middle names are put down. This may indicate that all such clients in fact bear the same surname as the owner of the firm or perhaps are members of the same lineage group as the owner.<sup>10</sup>

It is estimated that the total number of account books preserved in Hong Kong comes very near to 1,000. They belong mainly to one Chinese herbal shop, one Chinese fabrics firm and one Chinese shop selling fishing equipments in Hong Kong. Since most of these account books are not in very good condition and are still being processed for readers' use, this author has read only a small portion of the total amount preserved. For this reason, the information obtained thus far is not necessarily representative of the majority which is still inaccessible to researchers.<sup>11</sup> Besides the information contained in the account books is of such a technical and specialized kind that it requires the assistance of a professional and experienced traditional Chinese book-keeper to help decipher. In this respect, it is better for this author to find out more about these account books before he tries to introduce them to interested researchers.

To sum up, a preliminary study into the *nien-chieh*, *hsin-cha*, and *chang-pu* of business firms in Hong Kong shows that they are exciting discoveries for the study of Chinese business history in the modern period. To be sure, they help to reveal how actual business transactions were carried out between Chinese businessmen in Hong Kong, China, and foreign countries. Such information is rarely if at all recorded in government documents.

#### FOOTNOTES

1. Co129/125, p. 344
2. C. F. Remer, *The Foreign Trade of China*, 1926, p. 97.
3. K. C. Fok, *Lectures on Hong Kong History*, 1990, p. 99.

4. These source materials have been purchased over many years by Dr. James Hayes, Mr. Peter Yeung, the author himself and others. Most of them are now placed in the Hung On to Memorial Library at the University of Hong Kong.
5. The Ma Chū-ch'ao letters, all of the account books and a few hundred annual reports are now in the Hung On To Memorial Library. While the miscellaneous documents are still in the hands of individual owners and museums in Hong Kong.
6. The author, for example, has over 100 *nien-chieh*.
7. K. C. Fok, "Private Chinese Business Letters and the Study of Hong Kong History—A Preliminary Report" in *Collected Essays on Various Historical Materials for Hong Kong Studies*, 1990, p. 15.
8. *Ibid.*, pp. 15-17.
9. Most of these are available in the Hung On To Memorial Library. Some of them belong to the author.
10. K. C. Fok, "Private Chinese Business Letters," p. 15.
11. Most of the account books are still being processed and hopefully will be soon ready for use by researchers in the Hung On To Memorial Library.

K.C. Fok's recent research has centered on the role of Hong Kong in Chinese history. He deserves major credit for the collection of Hong Kong history archives in the Hung On To Memorial Library, University of Hong Kong.

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## References

Dorothy Solinger uses transaction cost economic theory in "Urban Reform and Relational Contracting in Post-Mao China: An Interpretation of the Transition from Plan to Market," *Studies in Comparative Communism* 22. 2 & 3 (1989), 171-85; also published in Richard Baum, ed. *Reform and Reaction in Post-Mao China*. NY: Routledge, 1991, 104-123. (cf. Louis Sigel's article in CBH, vol 2, no 2, March 1991).

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well developed academic literature regarding the role of law and formal legal institutions in traditional Chinese society. The answers suggested after close examination of the underground economy in Taiwan, however, are of more than historical relevance.

Parallels between the limited relevance of formal regulatory practices in Taiwan and similar findings in empirical studies of what are conventionally thought of as highly legalistic societies such as the United States suggest that roles of the state and formal legal institutions in the development process need to be radically reconsidered. Thus, the effort to make generalizations based on the study of social practices that constitute the underground economy in Taiwan leads not only to the conclusion that the rubric "underground" may be inappropriate in categorizing different types of social and economic practices in Taiwanese society, but also that the concept of a distinct "underground" economy may be misplaced when applied to developed and apparently highly regulated societies. In the place of assuming the existence of a distinct underground or informal sector outside the control of the state or state-sponsored organs of social control, a more useful framework for analyzing contemporary business practices in Taiwan and other societies would emphasize the limited effectiveness of formal legal institutions and the prevalence of informal relational practices at all levels of social and economic organization.

Any attempt to account for the failure of formal institutions of modern government in Taiwan to penetrate deeply into contemporary business practices must include an account of what informal institutions enable such a large underground economy to function. One of the most obvious possibilities is the wide array of relational social and economic practices that form the foundations of Chinese society. Relational practices may be based on family or common origin ties, or may be fictionalized variations of such ties. Relational practices in this context implies a contrast with the more individualistic, rule-governed forms of social interaction assumed to be the norm in what are thought of as "developed" countries.

The concept of "relational contracts" as developed in the transaction cost school of economics is based on a commitment by the parties to cooperate and negotiate in order to achieve shared objectives, and often

involves a high degree of flexibility and informality in the realization of those objectives. Such relational practices can be compared with more conventional (i.e., modern, liberal) concepts of contract which assume the existence of rational, self-interested parties who fully specify the allocation of all risks and obligations at the outset of an undertaking, and that such autonomous individuals are contracting against a background of universal, state-sanctioned system of rights and obligations.

The contribution of relational practices to economic development in Taiwan is not often explicitly recognized. This lack of recognition stems in part from the assumption that the process of modernization involves the development of more formalized institutions and the displacement of informal or traditional practices. Many official statements of policy from ROC authorities and many academic treatments of Taiwan's rapid economic development focus on what is presumed to be the decisive role played by state-sponsored initiatives. The reluctance of ROC authorities to directly acknowledge the contributions of the informal sector in Taiwan's economic development can be attributed in part to the official adherence to conventional, unilinear theories of modernization based on Western historical experiences, and in part to the long-standing division of Taiwanese society between Mainlanders and locals. Although not all informal activities are undertaken by Taiwanese rather than Mainlanders, Taiwanese are disproportionately involved in activities such as running small and medium-sized businesses which in turn have been historically excluded from full participation in the formal economy by means such as denial of access to credit from regulated institutions.

While state-centered accounts of Taiwan's economic development emphasize the contributions of formal institutions, an account that recognizes the significance of informal practices requires a redefinition of the role of formal institutions such as the modern legal system in the transformation of Taiwanese society. Borrowing from such traditional Chinese sources, law could be considered as merely a tool of social control and coercion to be exercised only at the margins of organized social activities that are otherwise ordered by relational practices. Traditional relational bonds based on family, kinship and common origin as supplemented by contemporary variations of such bonds would be the basis of most social

and economic interaction and state-sponsored legal sanctions would be held in reserve to reinforce the informal, relational social order only as needed.

This informal, relational model of social organization is very different than that implicit in modern, liberal models which treat law as a universal framework potentially capable of ordering all aspects of society. This vision of law as supplemental and marginal rather than universal and fundamental to the preservation of the social order is found not only in Chinese legal philosophy, but is also recognized by the theoretical and empirical work of American legal realists such as Karl Llewellyn and members of the contemporary "law and society" school of thought such as Stewart Macauley and Marc Galanter.

Both perspectives (law as universal and law as marginal) coexist in contemporary Taiwanese thinking about law and society. For official purposes, the vision of increasing formality and state-sponsored regulation is embraced as the ideal and proclaimed as the secular trend, whereas unofficially and implicitly the idea of law as a technique for reinforcing relational practices and legal institutions as marginalized for most purposes continues as the social reality. When this dualism in thinking about law is superimposed on the predominantly relational economic practices characteristic of contemporary Taiwanese business activity, certain dysfunctions in efforts at economic regulation are bound to result.

Examples of dissonance between attempted regulation of economic activity and the resistance of business practices to central control abound in contemporary Taiwan. Several examples chosen from the area of banking and finance clearly indicate the issues involved. There have been several major financial scandals associated first with a prolonged period of official indifference and inaction towards open and notorious examples of informal financial practices, followed by a public perception of crisis and finally by an official crackdown. These include the problems of the trust and investment companies in the early 1980s, the Cathay scandal in the mid-1980s and the underground investment companies in the late 1980s. Not all regulatory dysfunctions are so visible, however. The inability to blend modern regulatory thinking about law with a conscious policy of tolerance or even support for informal financial practices characterize commercial bank lending practices, the

credit market based on post-dated checks and other well established informal financial practices such as *biao-hui* and underground banks.

ROC authorities are not the only ones to struggle with the tension between modern, liberal conceptions of law as a universal order for atomistic individuals and the reality of pervasive informal, relational social practices. While the Taiwanese attitude toward law and society is characterized by an unresolved dualism (alternating between unrealized pretensions towards modern universality and tacit acceptance of indirect support for relational practices), examples exist of actually merging modern formalism and relational practices within the structure of the legal system itself. One such example is the "bureaucratic informality" described by Frank Upham in his work on law and society in contemporary Japan. Another example is found in the Uniform Commercial Code, the business law of most jurisdictions in the United States, which reflects the jurisprudence of Karl Llewellyn.

The phenomenon of pervasive informality in social practices and very limited penetration of society by formal legal institutions may thus be characteristic of many societies, not just contemporary Taiwan. Distinctions between societies may be drawn based not simply on the degree of adherence to formalistic, state-centered models of law, but on the manner in which informal and formal institutions are melded. Only when the model of law and society implicit in modern liberal thinking about development has been qualified to reflect such a spectrum of possible resolutions of the tension between formal, state-sponsored, rule-governed control mechanisms and relational social practices will it be possible to return to the question of what constitutes an "underground" economy as opposed to merely the degree of informality that characterizes most business practices in developed and developing nations.

Jane Kaufman Winn teaches law at SMU. She has published several articles on law and development in Taiwan and continues to do research on the subject.

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## American Historical Association Meeting

**Good News** - Two AHA panels are related to Chinese business and economic history.

**Bad News** - They are scheduled at the same time.

### *Business and State Relations in the Context of the Nineteenth Century Sino-Western Encounter*

Chair: Lillian Li, Swarthmore. Papers by Jane Kate Leonard, U. of Akron, on the state and private shipping in the early nineteenth century; Robert Gardella, U.S. Merchant Marine Academy, on public and private accounting in late imperial China; and Louis Sigel, Eastern Kentucky U., on the Chinese Educational Mission (Yung Wing) in historical perspective.

### *The Politics of Land Development in the Mid-Qing*

Chair: William T. Rowe, Johns Hopkins. Papers: Rowe on the state and land development in the Mid-Qing; Anne Osborne, Rider College, on land reclamation in the lower Yangtze highlands; Peter Perdue, MIT, on property rights in the settlement of Xinjiang. Commentator: Sara Berry, Johns Hopkins.

**Both on Wednesday, December 30, 9:30 a.m.- 11:30 a.m.  
Washington, D.C., Washington-Sheraton Hotel**



## Panel Reports

The Chinese Business History Research Group organized two panels last April, one at the Economic and Business Historical Society, Seattle, and the other at the Association of Asian Studies, Washington, D.C.

"Chinese Entrepreneurship and Public Policy in Twentieth Century China" was the EBHS panel. Winston Hsieh (History, U of Missouri at St Louis) presented a paper entitled "Entrepreneurial Responses to Government Monopoly in Wartime China: A Study of Gu Gengyu, the 'Hog Bristle King', 1937-1945." He discussed how Gu was able to maneuver against Guomindang bureaucrats charged with establishing state control over procurement and marketing. Louis T. Sigel (History, Eastern Kentucky U) gave a talk about "Managerial Entrepreneurship in Cantonese State Enterprises in the Chinese Economic Reforms, 1978-1988." He focussed on the creative actions of several managers in specific state-owned firms in

Guangzhou in the face of the elimination of their monopoly privileges and the need to become more market-oriented. Wellington Chan was discussant. (From Louis T. Sigel)

The Chinese "family" is an effective organizational form for business networks. This theme unified the papers presented at the AAS panel "Role of the Family in Chinese Business Enterprise." Kwan Man Bun (History, U of Cincinnati) examined how the Tianjin salt merchants in the late 19th/early 20th centuries used a flexible kinship system for maintaining control over a wide range of investments. Gary Hamilton (Sociology, U Calif at Davis) showed that similar principles apply to large business groups in present-day Taiwan. Myron Cohen (Anthropology, Columbia U) posited that the "commoditization" of the economy in late traditional China was the cultural context in which the family as enterprise developed. Family organization served as the basis for managing a variety of assets for the benefit of the family. Wellington Chan and Robert Gardella were discussants. (From Andrea McElderry)

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## *Chinese Business History*

is the bulletin of the Chinese Business History Research Group, an affiliate of the Association for Asian Studies. Executive Committee: Wellington Chan, Robert Gardella, and Andrea McElderry.

The bulletin seeks to develop a more comprehensive understanding of Chinese business history and practices. We welcome submission of research notes, "thought" pieces, information on research materials, and conference reports. Manuscripts should be no more than 1200 words. Editors: Robert Gardella and Andrea McElderry.

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