Gilles Guiheux, Les grands entrepreneurs privés à Taiwan - La main visible de la prospérité, Paris, CNRS, Asie orientale, 2002, 253 pp.

Philippe Chevalérias

Édition électronique

URL : <http://journals.openedition.org/chinaperspectives/368>

DOI : 10.4000/chinaperspectives.368

ISSN : 1996-4617

Éditeur

Centre d'étude français sur la Chine contemporaine

Édition imprimée

Date de publication : 1 juin 2003

ISSN : 2070-3449

Référence électronique

Philippe Chevalérias, « Gilles Guiheux, Les grands entrepreneurs privés à Taiwan - La main visible de la prospérité, Paris, CNRS, Asie orientale, 2002, 253 pp. », *China Perspectives* [En ligne], 47 | May-june 2003, mis en ligne le 10 novembre 2006, consulté le 24 septembre 2020. URL : <http://journals.openedition.org/chinaperspectives/368> ; DOI : <https://doi.org/10.4000/chinaperspectives.368>

Ce document a été généré automatiquement le 24 septembre 2020.

© All rights reserved

Gilles Guiheux, Les grands entrepreneurs privés à Taiwan - La main visible de la prospérité, Paris, CNRS, Asie orientale, 2002, 253 pp.

Philippe Chevalérias

- 1 In the course of the past fifty years, Taiwan has undergone exceptional economic development. Still largely dependent on agriculture in the 1950s—sugar, rice and tea then made up three-quarters of its exports—it has today become one of the best performing economies in the world in the information industry—on the world market in 1996, 10% of desktop computers, 32% of laptop computers, 54% of computer screens and 74% of motherboards were manufactured by Taiwanese firms either in Taiwan itself or abroad¹.
- 2 The object of this book is less to explain the economic mechanisms of this development than to highlight the role played in it by one particular class of the population—the major private entrepreneurs. Stressing the factors that have led to the emergence of this social group, at the same time as to the shaping of its image, this socio-economic study shows how the leading body of Taiwanese employers, defined as "the set of governments of the major private businesses, the management teams that draw up the groups' policies and constitute an important part of the country's ruling class" (p. 13), has been both the result of economic growth and the driving force behind it.
- 3 Basing his work not only on interviews with leading industrialists, but also on magazines dealing with the economy (*Tianxia, Zhuoye*), business directories and (auto)biographies of businessmen, the writer describes, by way of numerous examples, how relations have been developed between "public" and "private" decision-makers on the one hand, and within the class of industry chiefs on the other. In addition, through a critical analysis of documentary sources he reveals what lies hidden beneath the language of these businessmen and the public image they wish to project.

- 4 The study is in two parts. First, it seeks to answer the following question: how are the economic activities of the leading Taiwanese industrialists organised and what is their structure? The answer to this has itself three components: the state, which has facilitated the establishment of major groups (Chapters 2 and 3); the family, which has contributed to the maintenance of their cohesion (Chapter 4); and the networks of local, professional and/or associative solidarities (Chapter 5). The work then tries to bring out the "values" that the leading Taiwanese industry chiefs claim for themselves (Chapter 6).
- 5 The state has played a key role in the creation of a class of entrepreneurs in Taiwan, not only by giving them the opportunity to grow and prosper, but also by providing them with a moral stamp of approval in the eyes of society. In the 1950s, the Nationalist Party in power, which was implementing a new policy of economic development, suggested to a certain number of businessmen that they invest in strategic sectors with the help of the authorities. In the 1970s, the Taiwanese government, increasingly isolated internationally, then made an appeal to the island's leading businessmen to represent it abroad, notably on those committees designed to manage economic relations between Taipei and its commercial partners who had broken off their diplomatic relations with the Republic of China in Taiwan. So it was that a relation of clientalism was established between the authorities and the businessmen. On the one side, the state enabled a few of the latter to get rich quick in protected markets, at the same time as it turned their image of "profiteers and traitors to the homeland" into one of "benefactors of society" (p. 83). On the other, the entrepreneurs undertook to remain loyal to the Kuomintang and to support the government's action thanks to their capital and networks of relations abroad. It was in this context the Taiwanese industry groups were developed.
- 6 Now, these groups which grew up under the protection of an all-powerful Nationalist Party were able to benefit from the climate of democratisation in Taiwan in the 1980s so as to free themselves from this tutelage. Their leaders even sought to have greater influence over government action on account of their financial power, their reputation, and their personal relations with those in power, for example through the creation of private foundations (one such being the Institute for National Policy Research, set up in 1989 by Chang Rongfa, the CEO of Evergreen), the financing of political parties, and direct participation in local elections. Taiwanese investments in South-East Asia and Mainland China were thus clear signs of the autonomy acquired by the island's leading firms. Putting their personal interest first, they responded reticently to the calls by government to invest more in South-East Asia, whereas they had no qualms about bypassing the law when it came to investing across the Strait.
- 7 The family has also contributed to the structuring of the leading Taiwanese industrialists by promoting the cohesion of groups of companies, as well as by helping to turn the milieu of business chiefs into a class. The family nature of these groups appears at three levels. The first is the fact that the founder and his family have a majority voice on the company boards. The second is the appointment of children, and sometimes even children-in-law, to management positions. The third is the alliances through marriage between leading industrialist families. We should observe, however, that the adaptation of the traditional family form of the company to the demands of the modern economy has necessitated "strategies of legitimisation". For example, it is incumbent upon the sons of the founders of the major firms to obtain "university

degrees that are like skill certificates" and "to climb progressively, as it were, up the ladder of the businesses they are destined to manage" (p. 131).

- 8 Finally, solidarities, both local and professional in nature, sometimes complement the family networks to set in train a dynamic process of business creation (p. 163), through a system whereby people sharing a common background and/or a relation of boss-employee find themselves together as members of company boards. Thus the Hous and the Wus, two families from the Tainan region, became associated, after establishing Tainan Textile (1954) with the Chen family—connected twice over by marriage to the Hous—to found Universal Cement (1961). The group then diversified into the food and agriculture industry with the setting up of Tongyi (1967) on the initiative of Gao Qingyuan. He was also born near Tainan, and was a former apprentice in the textile business that the Wu brothers had before the war, before later becoming an employee of Tainan Textile. Employers' associations and social clubs (old boys' associations, charity organisations, etc.) are for their part places where the leading industrialists set up their social networks capable of being "activated" in case of need and of resulting in a partnership for business ventures.
- 9 The writer's analysis of the "moral values" claimed by the Taiwanese bosses explicitly fits into the perspective of Max Weber's works, according to which "there is no capitalist development without an entrepreneurial class and no entrepreneurial class without moral values" (p. 183). Taiwan's leading industrialists are no exception to the rule, placing at the forefront of their lives values such as work, frugality, the family, honesty and disinterest, and extolling the virtues of peace and harmony both within the firm and in society. They present themselves as good heads of household who cherish their employees as they do their own children, and as wise men guided "not by the desire for prosperity and personal recognition, but by the concern [...] to contribute to the general well-being, by working for more harmony in society", profit being sought "not for personal ends, but for the good of society as a whole" (pp. 216-218). What is important to point out here is that this discourse, Confucianist in inspiration, adopted by "the elite of the business world" is no doubt less the reflection of a personal ethic than of an appropriation of a Chinese tradition in the interest of the firm. In this perspective, the "work" ethic could be said to favour the use of overtime, whereas the idea of peace and harmony would be a means of avoiding social conflicts, or even of justifying a "vigorous authoritarianism" (p. 191). As to investment in the training of employees, for example via the creation of schools within the firm itself, it is presented as the natural concern of a father for the education of his children. Yet, it is also a good means of integrating employees and making up for the deficiencies of the public education system.
- 10 We should now like to make one observation about form and a couple on content. First, with regard to form, a recapitulatory, well-ordered list of the major Taiwanese industrialists, with their date and place of birth, the name of the companies that they control and the spheres of activity concerned, would have been very useful to help the reader to find his or her way among the many people referred to in the book. As to content, two questions could have been more fully explored. What place do the major firms occupy with respect to the multitude of small to medium-sized businesses—in 1996, the latter represented no less than 98% of the total number of firms in Taiwan, and accounted for 79% of the workforce, 50% of exports and 34% of production²—and what are the specific features of the former with respect to the latter? Indeed, if both

big and small firms have a family-type capital arrangement in common (p. 124), then what distinguishes the "big" bosses from "small" ones as far as, for example, influence on political power or moral values is concerned? Secondly, how far has the geographic background of the entrepreneurs influenced the development of their firms and their investment strategy abroad, particularly in Japan and Mainland China? Admittedly, the book gives some elements of a response to this question, but it would have been worthwhile to try to draw out any internal logic at work here—for example by comparing the firm of Tatung (electrical appliances), whose CEO is from an old Taiwanese family that made its fortune under the Japanese occupation (cf. Chapter 1), with the firm of Yulon (textiles, motor cars), whose founding family is from Shanghai—and to see from when and in what way connections operated between the companies set up by Mainlanders (who had arrived in Taiwan in 1949) and those established by native Taiwanese.

- 11 Beyond these remarks, one can say that this book, which makes use of a great number of Chinese-language sources, offers the originality of tackling the economic development of Taiwan from the perspective of the history of families whose fate has become inseparable from that of the island as a whole. One must give it credit not only for bringing a new light to bear on the process of industrialisation in Taiwan, but also for emphasising the specific case within the Asian world of Taiwanese industrialists who were able to take advantage of a dual cultural and economic influence, both Chinese and Japanese, to develop their networks and internationalise the island's economy.

NOTES

1. Wu Rong-I and Tseng Ming-Sheng, "The Development of the Information Industry in Taiwan", *IDRI Occasional Paper*, No. 7, November 1997, pp. 7-8 (29 pp.)

2. *Jingjibu zhongxiao qiye* (Office for Small Business, MOEA), *Zhongxiao qiye baipishu* (White Book on Small Businesses), Taipei, Jingjibu, 1997, p. 8 (426 pp.)