

Societal Change in Modern China, 1890s – 1980s

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I. Introduction

This paper attempts to deal with Chinese societal changes in the ninety years from the 1890s to the 1980s. Because societal changes of mainland China since 1949 is out of my research, in examining the first fifty years, I will take China as a whole, and in examining the last forty years, attention will be paid mainly to the Chinese society on Taiwan.

There are many theories regarding societal change. Some sociologists regard societal change as a process whereby an old, stable, harmonious and integrated society is transforming into a new, stable, harmonious and integrated society. An old society, when unbalanced by new forms of social mobility or challenged by new ideas and techniques, may undergo basic changes. Changes usually begin with one sector of the society which often leads to structural or functional adjustments in other sectors as well. As Talcott Parsons put it:

Social life has a tendency to be and to remain a functionally integrated phenomenon, so that any change in one part of the social system will bring about adjustive changes in other parts. The initial change creates an imbalance, but a functional adjustment of the parts occurs to recreate an integrated, adjusted and relatively stable system. ①

Under these circumstances, the old society becomes a new one (see Diagram 1).

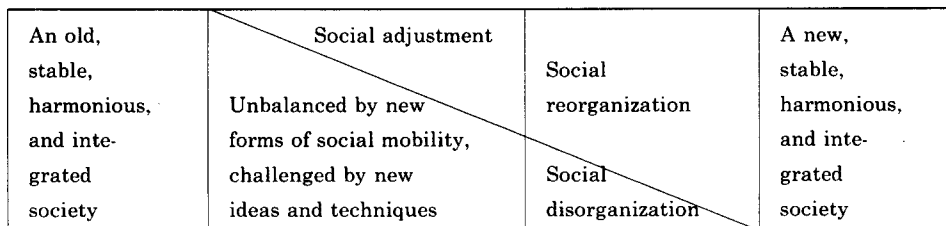
Society is inherently flexible and uncertain in nature. Parsons believed

* I am grateful to Professor Thomas A. Metzger, Dr. Hsiung Ping-chen and Dr. Ch'en Ch'iu-kun for looking at the earlier version of this article and making various suggestions.

① See Ruth A. Wallace and Alison Wolf, eds., *Contemporary Sociological Theory* (Englewood Cliffs, N. J., 1980), pp. 34-35.

that societal changes are needed to maintain stability and equilibrium. When the initial change creates a situation of disequilibrium, one in which the balance of society is disturbed, forces arise restoring equilibrium. In other words, society adjusts in response to disturbances in order to restore

Diagram 1 Process of Societal Change



equilibrium.^② Although there has been much criticism of Parsons' theory of equilibrium, the framework of this paper is still based mainly on Parsons', because Parson's theory is able to explain many of the phenomena of social change in modern China.

One disturbance China encountered was the Western and Japanese capitalistic penetration, the response to which was her attempts to industrialize, which in turn became one of the driving forces of societal change. Therefore, I will first deal with the transition from agriculture to industry. Since an industrializing society needs new ideas and techniques, the rise of China's new intellectuals and technicians will be treated next. Industrialization also involved my next topic, the growth of China's business stratum, which was composed of traders, bankers, industrialists, and the like. As the Chinese business stratum grew, urbanization was a natural result: most of the new businesses were concentrated in urban areas and needed people to work for them. Lastly, I want to discuss changes in the Chinese family system, which were mainly caused by industrialization and urbanization. Future directions of the Chinese society will be contemplated in the conclusion of this paper.

To be sure, modernization, as many scholars have pointed out, is not a universally identical process leading to the 'convergence' of all modernizing societies. Each pattern of modernization has its own distinctive features.

② *Ibid.*, p. 39.

Nevertheless, the rather universal aspects of modernization, as industrialization, urbanization, etc., also are important, and it is on these subjects that my paper will focus.

II. Economic Change: From Agriculture to Industry

The transformation of modern China is primarily a change from a traditional agricultural economy to a modern industrial economy. The difference between these two is that a traditional agricultural economy is an economy of scarcity, under which men live a life of self-constraint and need little scientific technology, while a modern industrial economy is an economy of abundance, under which men seek to control and make use of nature by ceaselessly improving technology. ③

When Sun Yat-sen began his revolutionary movement in the early 1890s, he thought that China needed to improve her agriculture and industry urgently. In his famous letter to Li Hung-chang, Viceroy of Chihli, in 1894, Sun advised Li to establish an office for the improvement of agriculture, to set up schools for the pursuit of agricultural knowledge, and to improve farm tools. ④ In 1895, when Sun planned a revolutionary uprising in Canton, he tried to set up an association for agricultural learning, and proclaimed that the aim of the association was to translate foreign agricultural books into Chinese, to promote the founding of agricultural schools, and to ask the government to establish an agricultural office. ⑤ As for industrialization, Sun in the same 1894 letter to Li Hung-chang, advised Li to develop China's industry, and he pointed out that the promotion of science and machinery was the prime means to the development of industry. ⑥ Later, in 1921, Sun published his *The International Development of China*, proclaiming that the Chinese industry had to be developed, and that the way to develop Chinese industry was to make use of foreign capitals as well as to improve and to increase mechanization in production. ⑦

③ Fei Hsiao-t'ung, *Hsiang-t'u Ch'ung-chien* (The Reconstruction of Rural Land) (Taipei, reprint), pp. 3, 7, 11.

④ *Kuo-fu Ch'uan-chi* (Collected Works of the National Father), Vol. V, p. 3.

⑤ *Ibid.*, pp. 13-14.

⑥ *Ibid.*, pp. 5-6.

⑦ *Ibid.*, Vol. II, p. 264.

The reason why Sun Yat-sen put so much emphasis on the improvement of agriculture and industry was that China was then an agricultural country whose production mainly come from the agricultural sector, and that industrialization was then a world-wide economic trend which China lagged far behind. Particularly influential among the youth, Sun's views on the development of Chinese economy were shared by some of his contemporaries and followed by many of his comrades. Under these circumstances, the development of China's economy has followed two tracks ever since the late Ch'ing: improving agriculture and developing industry.

In the late Ch'ing and early Republican period, farmers constituted the main body of the population. A survey made in 1931 in Ting county, Hopei Province (Chihli before 1928), shows that of the 10,803 males over 13 years of age, 83.4% were farmers, 1.3% farm hands, 3.9% merchants, 1.9% skilled labour, 1.3% unskilled labour, 1.7% educational workers, 1.6% military services, 0.4% government services, and 4.5% unclassified.^⑧ Another survey made in 1936 covering 152 villages in 38 districts in Kwangtung province shows that farmer's families (including agrarian labourers) made up 85% of the total population. The remaining 15% of the population were composed, in the main, of merchants and officials, both active and retired, plus a small number of artisans and other types of workers.^⑨

This large agricultural sector had encountered many problems since the late Ch'ing and early Republican period. First of all, the unequal distribution of landownership aggravated inequalities. There are different statistics on Chinese land ownership. According to the figures published by the Department of Agriculture and Commerce in 1918, about 50% of the farmers were occupying owners, 30% were tenants, and 20% owned part of their farm land.^⑩ According to Chen Han-seng's survey made in 1936 of farmer's families of 152 villages in 38 districts of Kwangtung province, of 24,776 farmer's families, 32.6% were land owners, 57.2% tenants, and 10.2% agricultural labourers.^⑪ Recent study shows that in the 1930's, of all farmer's families, about 30-40% were landless, 10% were landlords (owned

⑧ See R. H. Tawney, *Land and Labor in China* (Boston, 1966), p. 33.

⑨ Chen Han-seng, *Landlord and Peasant in China* (Westport, Connecticut, 1936), p. 2.

⑩ *Ibid.*, p. 34.

⑪ *Ibid.*, pp. 115-117.

more than 50 *mou*) and rich farmers (owned 30–50 *mou*) who occupied 50–60% of all farmland, and 40–50% were middle farmers (owned 10–30 *mou*) and poor farmers (owned 1–10 *mou*) who occupied 40–50% of all farmland. ⑫

Table 1 Lucien Bianco's Classification of the Chinese Rural Society of 1945.

Social Class	Percent of Rural Families	Percent of Landholdings
Upper Class	3	26
Rich Peasants	7	27
Middle Peasants	22	25
Poor Peasants	68	22

Source: Lucien Bianco, *Origins of the Chinese Revolution, 1915–1949* (Stanford University Press, 1971), P. 95.

Table 2 Distributions of Chinese Land Ownership

Landowned (<i>mou</i>)	Percent of the Population in 1927	Percent of the Families in 1936
1-9	44.0	59.6
10-29	24.0	29.6
30-49	18.0	6.2
50-99	9.0	3.5
100-	5.0	1.3
total	100.0	100.0

Source: Su Yun-feng, " Min-ch'ü Chih Nung-ts'un She-huei (Rural Society in Early Republican China), A Paper Presented at the Conference on the Early History of the Republic of China, 1912-1927, August 20-22, 1983, Institute of Modern History, Academia Sinica, Taipei.

⑫ Chang Yu-i, " Pen Shih-chi Erh San Shih Nien-tai Wo-kuo Ti-chuan Feng-p'ei te Tsai Ku-chi " (A Re-examination of China's Land Distribution From the 1920s to the 1930s), *Chung-kuo She-huei Shih Yen-chiu* (Studies on China's Social-Economic History), no. 2, 1988, pp. 3-9. Other discussions, see Kang Chao, *Man and Land in Chinese History: An Economic Analysis* (Stanford University Press, 1986), pp. 125-128, 164-166.

Since land was then the primary means of production, this structure of land ownership has been described by some scholars as promoting class distinctions (see Table 1). Part of statistical data indicate that the concentration of land ownership became more intense during the 1920s and the 1930s (see Table 2).

The income of the farmers came from the land. Since most farmers did not own enough land, they could hardly support their families. A survey made by the International Famine Relief Commission in 1922, covering 240 villages with 7,079 families containing 37,191 members in the five provinces of Hopei, Kiangsu, Shantung, Anhui and Chekiang, found that 17.6% of the village families in the eastern provinces (Kiangsu, Anhui and Chekiang) - and 62.2% of those in the northern provinces (Hopei and Shantung), earned an income of less than \$50 a year. The minimum income needed for supporting a family in China at that time was estimated as \$150. Under these circumstances, starvation was common. Famine was also frequent. The famine of 1878-1879 killed 9,000,000-13,000,000 persons, and that of 1920-1921, 500,000. ⑬ Famine also drove people from one place to another. Average annual immigration into Manchuria for the four years from 1923 to 1926 was estimated at 514,070; but in 1927, a year of famine, it had reached the astonishing figure of 1,178,254 and the average for the three years 1927-1929, was 1, 921, 005. ⑭

Various attempts to deal with this rural crisis had been made since the late Ch'ing period. Sun Yat-sen proposed both the equalization of land ownership and the improvement of agricultural technology, but few other leaders recognized the importance of equalizing land ownership. Therefore, agricultural reforms during the late Ch'ing and early Republican period mostly had a technological orientation. During the late Ch'ing, the Government had made some efforts to educate rural population with modern agricultural ideas and techniques, to organize those who were interested in agricultural improvement, to purchase Western farming machines, and to obtain technical know-how from developed countries. Thus some steps were taken to replace low-yield crops with high yield ones, to introduce new insecticides, to use chemical fertilizers, to construct irrigation works, and to

⑬ R. H. Tawney, *Land and Labor in China*. pp. 69-70, 76.

⑭ *Ibid.*, p. 105.

increase land reclamation. ⑮

During the early Republican period, the program of agricultural improvement continued. In fact, cultivated acreage increased by 9% from 1893 to 1913, and by 8% from 1913 to 1933. Irrigated acreage increased from 352 million *mou* in 1914 to 395 million *mou* in 1924. The import of chemical fertilizer which amounted to only 800,000 piculs in 1912, increased to 2,500,000 piculs in 1928 and to 3,800,000 piculs in 1930. According to an estimate by Dwight H. Perkins, the use of new seeds, improved seeds, and rotating cropping patterns helped to increase food production during the last six centuries before roughly 1950 from 39 to 57 million tons. Yet because the increase in food production (an annual increase rate of 0.6%) was not so much as that in population (an annual increase rate of 0.8%) , food shortages remained, especially in years of serious natural calamity. ⑯

After the late 1920s, when the Nationalist Government was established in Nanking, unsuccessful efforts were made to implement Sun Yat-sen's idea of equalizing land ownership. Simultaneously, the emphasis on agricultural technology was intensified. For instance, during the years of 1933-1937, the Nationalist Government established the Central Institution for the Experiment of Agriculture, the National Institution for the Improvements of Rice and Wheat, and the Central Institution for the Improvement of Cotton Production. The main tasks of such institutions were the transplantation of American cotton, the improvement of wheat seeds, and experiment with insecticides and fertilizers, etc. Unfortunately, during the years of the Sino-Japanese War (1937-1945) , only the Central Institution for the Improvement of Agriculture continued to operate, others had to be closed on account of financial difficulties. ⑰

Beside the research institutions mentioned above, the Nationalist Government established special Commissions and Ministries for the

⑮ Chang Yu-fa, " China's Agricultural Improvement, 1901-1916: Regional Studies on Thirteen Provinces ", A Paper Presented at the Conference on Modern Chinese Economic History, August 26-29, 1977, Institute of Economics, Academia Sinica, Taipei.

⑯ Ts'ui-jung Liu, " The Problem of Food Supply in China, 1912-1927 ", A Paper Presented at the Conference on the Early History of the Republic of China, 1912-1927, August 20-22, 1983, Institute of Modern History, Academia Sinica, Taipei.

⑰ Shen Tsung-han, " Chung-kuo Nung-yeh K'e-hsueh-hua te Ch'u-ch'i (The Early Stage of the Scientification of the Chinese Agriculture) ", A Paper Distributed in the Lecture Meeting on Dec. 17, 1975, Academia Sinica, Taipei.

improvement of agriculture. For example, the Executive Yuan established a Ministry of Agriculture and Mining in February 1928; a Commission on Rural Reconstruction in April 1933; a Commission on the Improvement of Agricultural Production in April 1938; and a Ministry of Agriculture and Forestry in July 1940. After the end of the Sino-Japanese War, the Government of the United States tried to help China to revive her rural economy. Consequently, the Sino-American Joint Commission on Rural Reconstruction was established in Nanking on October 1, 1948. In the Winter of the next year, the Commission moved to Taiwan with the Nationalist Government and continued its work on rural reconstruction.^⑩ The Commission was later reorganized, becoming the Commission on the Development of Chinese Agriculture, which was, in turn, transformed into the Commission on Chinese Agriculture on September 20, 1984.

All in all, during 1894-1949, there were some progress in agricultural technology but few achievements in the field of land reform. This was a period of agricultural decline, especially from the 1920s down to the 1940s,^⑪ when wars, floods, and droughts were more frequent. It was not until after 1949, when the Nationalist Government moved to Taiwan, that technological improvement together with land reform resolved the agricultural crisis of the island. The most significant accomplishment of land reform in Taiwan is that a majority of the farmers own their own lands. In 1949, when the land reform program began, 38.7% of the farms in Taiwan were tenant farms, 36.1% owner-operated farms, and 25.2% part-owner-operated farms. By 1979, the Land-to-the-Tiller program had decreased the percentage of tenant farms to 7.8% and increased that of owner-operated farms to 84.7% (see Table 3).

With changes in both technology and the ownership pattern, the agricultural output of Taiwan increased rapidly. During the years of 1952 to 1976, it increased 114.5% (see Table 4), and during the years of 1961 to 1979, the export value of agricultural products increased 13.2 times

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- ^⑩ Huang Chun-chieh, *Shen Tsung-han Hsien-sheng Nien-p'u* (A Chronological History of Mr. Shen Tsung-han) (Taipei, 1981), pp. 78-196.
- ^⑪ Ramon H. Myers, " Agricultural Production and Sources of Agricultural Growth in Modern China: A Preliminary Study ", A Paper Presented at the Conference on Agricultural Development in China, Japan and Korea, Dec. 17-20, 1980, Institute of Economics, Academia Sinica, Taipei.

Table 3 Percentage Distribution of Farm Households by Land Ownership in Taiwan, 1949-1979

Year	Owner-operated Farm	Part-owner-operated Farm	Tenant Farm
1949	36.1	25.2	38.7
1965	66.8	20.6	12.6
1979	84.7	7.5	7.8

Source: Yu-Kang Mao, "Land Reform and Agricultural Development in Taiwan", A Paper Presented at the Conference on Agricultural Development in China, Japan and Korea, Dec. 17-20, 1980, Institute of Economics, Academia Sinica, Taipei.

(see Table 5). Therefore, Randall E. Stross argues, in his book dealing with American agriculturists on Chinese soil, that social change was needed to make a technological transformation possible. ⑩

While agricultural development is one aspect of modern Chinese economic development, industrial development is another. In the early years of Chinese industrial development, there were several characteristics. First of all, the Government and the officials were the pioneers in the establishment of China's modern industries. As is well known, the

Table 4 Changes in Agricultural Sector in Taiwan, 1952-1976

Year	Agricultural Population as % of Total Population	Agricultural Production (Index)	Agricultural Exports as of Total Exports
1952	52.4	100.0	91.9
1957	49.4	123.5	97.4
1961	49.0	141.9	59.1
1965	45.4	172.5	54.0
1969	42.9	182.2	26.0
1973	37.7	195.2	15.2
1976	33.7	214.5	12.4

Source: Hsin-Huang Michael Hsiao, *Government Agricultural Strategies in Taiwan and Korea* (Taipei, 1981), p. 61.

⑩ Randall E. Stross, *The Stubborn Earth: American Agriculturalists on Chinese Soil, 1895-1937* (University of California Press, 1986), p. 216.

Table 5 Agricultural Export of Taiwan, 1961 and 1979

Items	Unit: US\$ 1,000		
	1961	1979	1979/1961
Primary Agricultural Product	27,891	670,415	24.0
Processed Agricultural Product	93,974	939,798	10.0
Grand Total	121,865	1,610,213	13.2

Source: David C. Y. Wu and Fu-shan Liu, "Agricultural Marketing in Taiwan—Yesterday, Today, and Tomorrow", A Paper Presented at the Conference on Agricultural Development in China, Japan and Korea, Dec. 17-20, 1980, Institute of Economics, Academia Sinica, Taipei.

Government operated all kinds of military industries during the late Ch'ing and early Republican period. Yen Chung-p'ing's study of the cotton industry lists 19 cotton mills established in Shanghai, Tientsin, and Hankow between 1897 and 1911, 12 of which were founded by government officials, 3 by compradores, 2 by traditional merchant or gentry, and the remaining 2 by families or individuals whose status is unclear. After 1912, however, when the Republic of China was founded, industrial investments became more popular among the merchants. Of the 32 cotton mills established in the same cities between 1916 and 1922, 21 were founded by merchants, 6 by officials, 2 by gentry. The remaining 3 involved families or individuals whose status is unclear. ②

Secondly, the development of Chinese industry met a great deal of foreign competition. According to one calculation, out of the total investment of \$111,313,000 in the 490 factories and mining plants established in 1895-1911, 88.25 per cent belonged to foreigners. ③ Yet other statistics seem to indicate a larger Chinese role. For example, of the 156 factories with more than 500 workers each established in 1900 to 1911, 26 per cent were run by foreigners, and 74 per cent by the Chinese themselves. ④ During the years of 1895-1913, China's industrial investment in the fields of mining, engineering, weaving, food-making, electricity-generating, ship-

① See Rhoad Murphey, "The Treaty Ports and China's Modernization", Mark Elvin and G. William Skinner, eds., *The Chinese City Between Two Worlds* (Stanford University Press, 1974), p. 55.

② Wang Ching-yu, ed., *Chung-kuo Chin-tai Kung-yeh Shih Tsu-liao* (Materials on the History of Modern Chinese Industries), Vol. II (Peking, 1957), p. 203.

③ *Ibid.*, pp. 1183.

building, etc. was 223, 438,000 in total, of which only 46.16% was invested by foreigners. ④

Thirdly, the establishment of new industries and other modern sectors tended to be concentrated in the coastal area and along the Yangtze River. In the 1930s the six provinces of Kiangsu, Liaoning, Hopei, Kwangtung, Shantung and Hupei contained some 10% of the area of China and roughly some 36% of her total population. But they accounted for 92% of her foreign trade, 53% of her railways, 42% of her motor roads, 64% of her coal and iron-ore output, 93% of the cotton yarn spun, 92% of the silk reels, 86% of the oil presses, and 87% of the electricity capacity. Of the 1,302 factories which came into existence in the decade 1920-30, 827, or two-third, were established in the four cities of this area—645 in Shanghai, 110 in Wusih, 38 in Hankow, and 34 in Dairen. ⑤

Fourthly, while modern Chinese industries developed, traditional industries continued to be important. Of the 20,749 factories employing 7 or more workers each in 1912, only 363 used mechanical power, and in the 363 factories, only 737 pieces of machinery used mechanical power. ⑥ Down to 1933, the total output of all the modern industrial sector (i.e. eliminating handicrafts) was only 3.4% of net domestic product. Even if we added estimates for the output of construction, modern trade, finance, modern transport and communications, the modern sector accounted for only 13% of net domestic product in the same year. ⑦

Yet conversely, these same statistics reflect the achievements of China's earliest modern industrial sector. In 1910, there were only 4,500 miles of railway, 26 cotton mills, and 31 modern flour mills. The war of 1914-1918, by cutting off foreign supplies and giving Chinese producers a monopoly on the domestic market, opened a new era. The result was a rapid expansion of industry in China. Though hampered by civil disorder, forced loans, high taxation, and currency difficulties, industrial growth continued between

④ Albert Feuerwerker, " China's Nineteenth Century Industrialization ", C. D. Cown, ed., *The Economic Development of China and Japan* (London, 1964), pp. 82-83.

⑤ R. H. Tawney, *Land and Labor in China*, p. 127.

⑥ John K. Chang, *Industrial Development in Pre-Communist China* (Chicago, 1969), p. 5-6.

⑦ Rhoads Murphey, " The Treaty Ports and China's Modernization ", Elvin and Skinner, eds., p. 64.

1918 and 1930. The output of coal in 1929 for instance was 79 per cent higher than that of 1913, and railway mileage was about 76 per cent higher.²⁸ By the year 1931, there were some 9,500 miles of railway and approximately 35,000 miles of roads suitable for motor traffic; 41 modern collieries, with an aggregate output amounting (small native mines included) to about 25,000,000 tons; and 9 iron and steel companies, with a possible production of about 1,000,000 tons of pig iron and 110,000 tons of steel. The cotton mills in China numbered 127, with approximately 4,000,000 spindles and 30,000 looms. Of the 120 odd cotton mills, 58 were in Shanghai, 25 in Wusih, 7 in Tientsin, and 6 in Hankow. Shanghai, Wusih, Tientsin, and Hankow were then the most important cotton industry centers in China. Of the 252,032 cotton-spinning workers in China, 94,342 were in Shanghai, 16,798 in Tientsin, 15,780 in Wusih, and 1,951 in Hankow. In addition, China had then about 500 electric light and power plants, between 190 and 200 flour mills, between 280 and 300 oil mills, about 190 match factories and 1,500 to 2,000 other modern establishments.²⁹

The development of the Chinese industry was disrupted by the Sino-Japanese War, 1937-1945. Yet China still had to develop her industries. During 1938-1940, 488 factories and 12,182 technicians moved inland to Szechwan, Hunan, Kwangsi, and Shensi along with the retreating Nationalist Government. At the beginning of 1943, the Ministry of Economic Affairs in Chungking issued an industrial report which, although lacking output data, gave us some indications of wartime development in unoccupied areas. Of the 3,758 factories with 241,662 workers reported, 590 were in existence in 1937, and 3,168 were established during 1938-1942. Their total capitalization, allowing for a tenfold increase in the index of prices, was approximately equal to that of Shanghai's Chinese-owned industries in 1933, and the number of workers was also about the same.³⁰ For China as a whole, the gross value of the industrial output still showed some increase. The real decline occurred in the late 1940s, when the Nationalist

²⁸ R. H. Tawney, *Land and Labor in China*, pp. 122-123.

²⁹ *Ibid.*, pp. 16-17, 85-87, 146.

³⁰ Albert Feuerwerker, *Economic Trends in the Republic of China, 1912-1949* (Ann Arbor, 1977), p. 19.

Government carried out a nation-wide military struggle against the Communists (see Table 6).

Table 6 Index of Industrial Production of Mainland China, 1912-1949 (15 commodities; 1933 = 100)

Year	Gross Value of Output	Net Value Added
1912	11.9	15.7
1922	34.7	39.0
1932	91.6	90.3
1942	115.7	176.1
1949	105.6	119.2

Source: John K. Chang, *Industrial Development in Pre-Communist China: A Quantitative Analysis* (Chicago, 1939), pp. 60-61.

The most steady and rapid development of Chinese industry has occurred in Taiwan since 1949, when the Nationalist Government moved to the island. From 1952 through 1978 industrial output grew at an average annual rate of about 16 per cent.^① The industrial output in the years 1976-1979 increased 53.1 per cent (see Table 7). In 1952, the production value of heavy industry accounted for only 24.8 per cent of the total value of manufacturing industry, while light industry accounted 75.2 per cent; but by 1978, the production value of heavy industry had risen to 56.2 per cent. (See Table 8)

Table 7 General Indices of Industrial Productions in Taiwan, 1975-1979

Year	1975	1976	1977	1978	1979
General Index	80.4	100	112.9	141.0	153.1
Growth as Compared with Previous Year	—	24.4	12.9	24.9	8.6

Source: T. L. Yu, "Retrospect and Prospect of Industrial Development in Taiwan in 1980's", James C. Hsiung and others, eds., *The Taiwan Experience, 1950-1980* (Taipei, 1981), p. 156.

^① Jan S. Prybyla, "Some Reflections on Recognition and the Economy of Taiwan", James C. Hsiung and others, eds., *The Taiwan Experience, 1950-1980*, p. 153.

Table 8 Changes in Structure of Light and Heavy Industries in Taiwan, 1952-1978

Year	1952	1975	1976	1977	1978
Heavy Industry	24.8	46.9	50.8	52.9	56.2
Light Industry	75.2	53.1	49.2	47.1	43.8

Source: *Ibid.*

Moreover, the output of industry soon exceeded that of agriculture. During the years of 1952 to 1979, the percentage of the net value of the agricultural output decreased from 35.9 per cent to 10.5 per cent, and that of the industrial output increased from 18.0 per cent to 46.1 per cent (see Table 9). During the same period, the percentage of total exports representing agricultural goods and processed agricultural products decreased from 91.9 per cent to 9.5 per cent, and that of industrial products

Table 9 Sources of Net Domestic Product, 1952-1979

Year	Agriculture	Industry	Service Industries
1952	35.9	18.0	45.1
1962	29.2	25.8	45.0
1972	14.1	40.4	45.5
1979	10.5	46.1	43.4

Source: Lu Min-jen, " Taiwan Economic Development—Retrospect and Prospect ", A Paper Presented at the Conference on the History of the Republic of China, August 23-28, 1981, Commission on the Kuomintang Archives, Taipei.

increased from 8.1 per cent to 90.5 per cent (See Table 10). These figures show that Taiwan has been rapidly industrializing.

Taiwan's experience on economic development is somewhat different from that of the capitalist nations such as the United States and Japan, and from that of the socialist nations such as the USSR. Under the guidance of Sun Yat-sen's Principle of the People's Well-being, the Governments of the Republic of China played a larger economic role than did the Governments of most capitalist nations. On the other hand, it played a much smaller role than did the socialist Governments, because it emphasizes free enterprises. Some would say that the Republic of China has in deed found

Table 10 Composition of Exports in Taiwan, 1952-1979

year	Agricultural Goods	Processed Agricultural Products	Industrial Products
1952	22.1	69.8	8.1
1964	15.0	42.5	42.5
1973	7.5	7.9	84.6
1979	4.4	5.1	90.5

Source: *Ibid.*

“golden mean” between capitalism and socialism. At the very least, the Republic of China, like capitalist nations, has recognized the dynamism of free market, but like socialist nations it emphasized that the basic direction of economy must be decided politically not just by market forces.

III. The Rise of New Intellectuals and Technicians

China's educational system had first departed from her traditional model in the years of 1860 to 1895, when some language, technical and military schools were founded, and then in the years of 1895 to 1911, when the Imperial Examination System was abolished, and a new educational system was institutionalized. This new system set up three levels of education, the primary level, the secondary level, and the high level, and for each level there were schools for training teachers, technicians, and scholars of various kinds. This system, along with some alterations, still functions in the Republic of China today.

The new educational system is much different from the old one which, as exemplified by the Imperial Examination System of the Ch'ing dynasty, provided only facilities for training Confucian scholars. Under the old educational system the Chinese classics were the heart of the curriculum. Those learned in the Chinese classics could participate in the Imperial Examinations. There were mainly three levels of examinations. The winners at the primary level were given the degree of *sheng-yüan*, those at the secondary level, the degree of *chü-jen*, and those at the high level, the degree of *chin-shih*. One kind of examinations was held every three years at either the primary, secondary, or high level, and the quotas for the three

levels in the late 19th century were approximately 30,000, 1,500 and 300 respectively.^② Besides, there were some smaller examinations to select *kung-sheng* or *chien-sheng* from *sheng-yüan*, and some of the degrees, such as *kung-sheng* and *chien-sheng*, could be purchased.^③ Chung-li Chang regards the *sheng-yüan* and *chien-sheng* as the lower gentry, *kung-sheng*, *chü-jen*, *chin-shih*, and officials as the upper gentry.^④ The gentry were rulers of the society. They had many privileges; they were exempted from labor services, received courteously by officials, and not subject to the penalty of being lashed.^⑤

Table 11 .Change of the *sheng-yüan* Quota in the Ch'ing Dynasty

Period	Civil <i>Sheng-yüan</i> Quota	Military <i>Sheng yüan</i> Quota	Total
Pre-Taiping	25,089	21,233	46,322
Post-Taiping	30,113	26,806	56,919

Source: Chung-li Chang, *The Chinese Gentry*, pp. 88, 94.

The size of the gentry in the Ch'ing dynasty was not the same before and after the Taiping Rebellion. The quotas of *sheng-yüan* were changed during the anti-Taiping period, when new regulations allowed local people to contribute money for military purpose in return for increases in the *sheng-yüan* quotas of their native places.^⑥ Under such circumstances, the *sheng-yüan* quota increased from 46,322 in the pre-Taiping period to 56,919 in the post-Taiping period (see Table 11). The examination for the *sheng-yüan* degree was very competitive. It has been calculated that every three years, there were approximately 2,000,000 candidates competing for

^② Y. C. Wang, *Chinese Intellectuals and the West, 1872-1949* (University of North Carolina Press, 1966), p.13.

^③ According to Chung-li Chang, those who became gentry through examinations may be called the " regular " group, and those who purchased educational titles may be called the " irregular " group. See Chung-li Chang, *The Chinese Gentry* (Seattle:University of Washington Press, 1967), p. 3.

^④ *Ibid.*, pp. 5-7.

^⑤ *Ibid.*, p. 43.

^⑥ *Ibid.*, p. 83.

the 30,113 civil *sheng-yüan* titles. ⑳

The total number of the whole gentry stratum would be, according to Chung-li Chang, approximately 1,100,000 in the pre-Taiping period, and 1,450,000 in the post-Taiping period.㉑ But if duplicate counting is included, the numbers should be higher (See Table 12).

Table 12 Composition of the Gentry Stratum in the Ch'ing Dynasty

Classification	Pre-Taiping	Post-Taiping
Lower Gentry		
<i>Sheng-yüan</i>	739,199	910,597
<i>Chien-sheng</i>	355,535	533,303
Upper Gentry		
Civil and Military Officials	80,000	150,000
<i>Chin-shih</i>	4,000	4,100
<i>Chü-jen</i>	18,000	19,000
<i>Kung-sheng</i>	32,600	39,900
Total	1,229,334	1,656,900

Source: *Ibid.*, pp. 111, 120, 124, 125, 130.

The gentry were Confucian scholars. Since they lacked modern knowledge and techniques, they could not cope with the modern challenge of military aggression, capitalistic penetration and cultural diffusion. Therefore, searching for the Western secrets of "wealth and power", the Ch'ing Government, encouraged by reformers, institutionalized a new educational system and abolished the old one in the 1900s. Mainly because of this system, the first half of the 20th century witnessed the rise of new generations of Chinese intellectuals and technicians.

However, since there were no longer any unified quotas for school students, it is very difficult for us to estimate the number of intellectuals and technicians existing at any one time. The number of teachers and enrolled students in certain years can be obtained, nevertheless. For the sake of convenience, I classify the teachers of all educational levels and the enrolled students beyond the primary level into two categories. First, there

⑳ *Ibid.*, p. 92.

㉑ *Ibid.*, p.137.

were lower intellectuals and technicians. This includes teachers of primary schools (including primary technical and professional schools) and the students of middle schools (including primary teachers' schools and middle technical and professional schools). Second, there were upper intellectuals and technicians. This includes teachers of universities and colleges (including advanced teachers' colleges and technical and professional colleges), teachers of middle schools (including primary teachers' schools and middle technical and professional schools), and students in universities and colleges (including advanced teachers' colleges and technical and professional colleges). The number of intellectuals and technicians in schools during the late Ch'ing period, as exemplified by the year 1909, was 186,068, of which 147,871 were in the lower category, and 38,197 in the upper (see Table 13).

Table 13 Number of Teachers and Enrolled Students in China, 1909

Classification	Number
Lower Intellectuals and Technicians	
Teachers of Primary Schools	86,243
Students of Middle Schools	61,628
Subtotal	147,871
Upper Intellectuals and Technicians	
Teachers of Universities and Colleges	2,206
Teachers of Middle Schools	4,861
Students of Universities and Colleges	31,130
Subtotal	38,197
Grand Total	186,068

Source: Cheng Shih-hsing, *Chung-kuo Hsien-tai Chiao-yü Shih* (Educational History of Modern China) (Taipei, 1981), pp. 53, 70, 78, 62, 69; Ch'en Ch'i-t'ien, *Tsuei-chin San-shih Nien Chung-kuo Chiao-yü Shih* (Educational History of China in the Late Thirty Years) (Taipei, 1962, Reprint), pp. 96, 112, 125, 127, 134, 152.

The development of education in modern China has been taken as a means of national rejuvenation. In the late Ch'ing and early Republican period, the number of teachers and enrolled students increased steadily. In 1923, a year perhaps typical of the warlord period, teachers at all educational levels and enrolled students beyond the primary level numbered

about 506,724, of which 448,620 belonged to the category of lower intellectuals and technicians, and 58,104 belonged to that of upper ones (see Table 14).

After the year 1928, when the Nationalist Government overthrew the warlord Government and began to reconstruct the nation on all

Table 14 Number of Teachers and Enrolled Students in China, 1923

Classification	Number
Lower Intellectuals and Technicians	
Teachers of Primary Schools	265,816
Students of Middle Schools	182,804
Subtotal	448,620
Upper Intellectuals and Technicians	
Teachers of Universities and Colleges	5,613
Teachers of Middle Schools	17,611
Students of Universities and Colleges	34,880
Subtotal	58,104
Grand Total	506,724

Source: *China Year Book, 1926* (Japanese edition), pp. 461-497.

fronts, the educational development became more rapid. Even during the period of war against Japan and against the Communists, the Nationalist Government never loosened in front of educational reconstruction. In consequence, by the year 1946, teachers at all educational levels and enrolled students beyond primary level numbered 3,055,550, of which 2,825,863 can be taken as lower intellectuals and technicians, and 229, 687 as upper ones (see Table 15). If we take the above mentioned figures of 1909 as representing the late Ch'ing period, those of 1923 as representing the warlord period, and those of 1946 as representing the Nationalist period, the number of teachers and enrolled students in 1946 was 6.0 times of that in 1923, 16.4 times of that in 1909, and 2.1 times of the number of gentry in the late Ch'ing.

Since the establishment of the new educational system, the goal of Chinese education had shifted from the cultivation of Confucian scholars to that of modern intellectuals and technicians. We have very few statistical data about the expertise of these new generations of Chinese intellectuals

and technicians. Yet fields of study at the college level somewhat reflected

Table 15 Number of Teachers and Enrolled Students in China, 1932-1946

Classification	1932	1936	1942	1946
Lower Intellectuals and Technicians				
Teachers of Primary Schools	488,922*	734,532*	706,774*	947,340*
Students of Middle Schools	547,207	627,246	1,001,734	1,878,523
Subtotal	1,036,129	1,361,778	1,780,508	2,825,863
Upper Intellectuals and Technicians				
Teachers of Universities and Colleges	—	—	—	8,227
Teachers of Middle Schools	—	—	—	92,124
Students of Universities and Colleges	47,710	—	64,097	129,336
Subtotal				229,687
Grand Total				3,055,550

Source: Cheng Shih-hsing, *Ibid.*, pp. 217, 223-224, 230, 238, 243, 244, 254, 298, 303, 304, 310, 311-312, 319, 336. Figures marked* are estimated on the base that every 25 primary school students have one teacher.

the actual patterns of training. For example, during the years 1928-1937, of the twenty-five to forty-four thousand college students, students in the humanities decreased from 21.7% to 13.3%, law students, from 37.6% to 22.8%, and those in commerce, from 6.7% to 5.9%. On the other hand, medical students increased from 3.9% to 39.7%, engineering students, from 11.0% to 18.5%, students in natural science, from 7.6% to 14.3%, those in education from 6.6% to 7.9%, and those in agriculture, from 4.1% to 5.8% (see Table 16). The Tsinghua students sent to the United States during the years 1909-1929 amounted to 1,268, of which 32.33% majored in engineering, 10.99% in science, 5.19% in medicine, 3.63% in agriculture, 1.94% in military science, 5.54% in humanities, 0.25% in music, 23.84% in social sciences, and 2.77% in law. ³⁹

In modern times, returned students were always part of the new elite of Chinese society. Y. C. Wang's statistical data show that among the members of the "Who's Who" in *The China Yearbook* edited by the H.G.W.

³⁹ Y. C. Wang, *Chinese Intellectuals and the West*, p. 111.

Table 16 Fields of Study of College Students in China, 1928-1937.

Year	Number of Students	Humanities	Law	Commerce	Education	Natural Science	Engineering	Agriculture	Medicine
1928	25,178	21.7	37.6	6.7	6.6	7.6	11.0	4.1	3.9
1929	29,121	21.2	39.3	5.7	7.1	7.5	10.8	4.4	3.9
1930	37,566	20.5	42.3	5.4	6.8	7.6	9.9	3.8	3.6
1931	44,167	22.8	37.3	4.9	9.6	8.0	9.2	3.2	4.1
1932	42,710	21.9	34.0	6.7	7.9	9.7	10.4	3.6	4.3
1933	42,936	20.3	30.1	7.4	9.3	11.0	12.3	3.9	5.7
1934	41,768	19.0	26.4	7.3	9.7	12.7	14.1	4.4	0.6
1935	41,128	23.3	21.4	7.2	6.7	15.2	13.4	5.3	7.4
1936	41,922	20.0	19.7	7.7	7.9	13.1	16.7	6.2	8.1
1937	31,188	13.3	22.8	5.9	7.9	14.3	18.5	5.8	39.7

Source: *Ti-erh-ts'u Chung-kuo Chiao-yü Nien-chien* (Chinese Educational Yearbook, Second Issue), pp.525-526.

Woodhead, the returned students were 49.5% in 1916, 52.5% in 1923, 68.8% in 1932 and 71.0% in 1939.④ Geologists such as Ting Wen-chiang (V.K. Ting) (from England), biochemists such as Hsien Wu (from the U.S.), engineers such as Jeme Tien Yau (from the U.S.), industrialists such as Mu Hsiang-yueh (from the U.S.), physicists such as Hu Kang-fu and Li Shu-hua (both from the U.S.), mathematicians such as Ch'en Hsing-shen and Chow Wei-liang (both from the U.S.), writers such as Lu Hsun and Kuo Mo-jo (both from Japan), diplomats such as Yen Hui-ch'ing (W.W. Yen) and Alfred Sao-ke Sze (both from the U.S.), and educators such as Yen Fu (from England), Ts'ai Yüan-p'ei (from Germany) and Hu Shih (from the U.S.), all were returned students.⑤

In the past thirty years, the number of intellectuals and technicians has increased enormously in Taiwan. In 1979, teachers at all educational levels and enrolled students beyond the primary level numbered 1,833,534, of which 1,622,355 can be taken as lower intellectuals and technicians, and 171,179, upper ones (see Table 17). In 1946, the number of teachers at all educational levels and enrolled students beyond primary level represented approximately 0.7% of the total population of China. But in 1979,

④ *Ibid.*, p. 177.

⑤ *Ibid.*, pp. 82-85, 378-421, 465-470, 473-474.

it was 11% of the total population of Taiwan.

Table 17 Number of Teachers and Enrolled Students in Taiwan, 1979

Classification	Number
Lower Intellectuals and Technicians	
Teachers of Primary Schools	69,207
Students of Middle Schools	1,593,048
Subtotal	1,662,355
Upper Intellectuals and Technicians	
Teachers of Universities and Colleges	8,935
Teachers of Middle Schools	21,614*
Students of Universities and Colleges	140,630
Subtotal	171,179
Grand Total	1,833,534

Source: Cheng Shih-hsing, pp. 378, 385, 393, 400, 413, 416. The figure marked* was surveyed in 1975, and includes three kinds of teacher, namely, teacher of teacher's schools, teacher of technical and professional schools, and teacher of primary and secondary middle schools. The number of the teacher of teacher's schools is estimated on the base that every 15 students have one teacher.

Patterns of specialization in the case of upper intellectuals and technicians are illustrated by data regarding Chinese students abroad. During the years 1950-1979, the Republic of China sent 57,138 students abroad, of which 13.8% majored in humanities, 2.0% in education, 2.7% in fine art, 2.4% in law, 21.0% in social sciences, 18.0% in natural sciences, 25.2% in engineering, 4.2% in physics and medicine, 9.4% in agriculture, and 1.3% in other fields.^② Though many of the students sent abroad have not returned, a lot of key positions in both government and business are filled with returned students. For example, The Central Standing Committee of the Chinese Nationalist Party had 27 members in April, 1981, of which 16, or 59.26%, were returned students (9 from the U.S., 3 from England, 3 from Japan, and 1 from Germany).^③ It had 31 members in February, 1984, of which 21, or 67.7 per cent, were returned students (13 from the U.S., 4

② Cheng Shih-hsing, pp. 433-435.

③ *Lien-ho Pao* (The United Daily), July 4, 1981.

from Japan, 3 from England, and 1 from Germany).^④ Moreover, in the years 1983-1984, of the 261 leading figures of the 103 most prominent businesses in Taiwan, 53, or 20.3 per cent, were returned students (28 from Japan, 24 from the U.S., and 1 from the Philippines).^⑤

Although Chinese intellectuals and technicians have much modern knowledge, they mostly have grown up in the context of Chinese culture. Therefore, the traditional emphasis on geographical and kinship ties still influences their occupational and political behavior.

IV. The Making of the Modern Business Stratum

Traditional China was an agrarian country, where businessmen held low social status. The word "businessman" used here is a synonym for the word "merchant". It refers equally to traders, brokers, industrialists (including manufacturers and mining industrialists), bankers, financiers, and managers in the service and transport businesses. It was not until the mid-19th century, when Western capitalism penetrated China, that the Chinese businessmen began to play a more important role in economic activities.

In late 19th and early 20th century China, there were mainly six different kinds of businessmen: the salt merchants, the cohong merchants, the compradores, the bankers, the industrialists, and others. The salt merchants was the first to become socially prominent. Because they monopolized the salt trade, many of them became rich. Some of the *chin-shih* and *chü-jen* degree holders came from the salt merchant families. During the years of 1649 to 1801, 143 members of the salt merchant families received the *chin-shih* degree, and during the years of 1646 to 1800, 346 members of the salt merchant families obtained the *chü-jen* degree.^⑥ It was not until the period of the Taiping rebellion, when war ruined many of the salt trade centers, such as Yangchow, that the influence of the salt merchants gradually declined. However, the salt merchants were still large in number. For example, during the early Republican period, just the one

④ *Ibid.*, February 16, 1984.

⑤ The statistical data are based on *Business Groups in Taiwan, 1983-1984*, compiled and published by China Credit Information Service in 1983.

⑥ Ping-ti' Ho, *The Ladder of Success in Imperial China* (New York, 1962), p. 83.

salt zone of Liang-Huai alone had 35,000 salt merchants. ⑦

“Cohong merchants” refers broadly to merchants in Canton who since 1720 had the privilege of conducting foreign trade. ⑧ From about 1720 to the middle of the 19th century, Canton was about the only place in China legally open for foreign maritime trade, and the cohong merchants handled the legal trade of tea, silk, and cotton, as well as some of the illegal opium trade. The cohong merchants, though only several hundreds in number, hence dominated China’s foreign maritime trade. Perhaps the most illustrious cohong merchant was Howqua, whose full name was Wo E-woo (1769-1843). It was reported that he had left about 26,000,000 dollars, the fruit of his own business, to his two sons, the eldest only sixteen. ⑨ Howqua IV (1810-1863) was another well-known cohong merchant. His name was Wu Shao-yung in the business circles, Wu Ch’ung-yao, in gentry circles. The local gazetteer described him as a *chü-jen* scholar and gentry leader. ⑩ The influence of the cohong merchants gradually declined after 1842, when more ports were opened to foreign trade and the cohong system was abolished. Although some of the cohong merchants continued to exist as tea and silk dealers, they lasted only until 1856, when a fire set by a Canton mob enraged over the Arrow Incident burned out the commercial district of Canton. ⑪

After the cohong merchants, came the compradores who first began their activities under the cohong system as licensed clerks and purveyors. After the British East India Company’s monopoly ended in 1834, they began to be hired by independent foreign merchants as resident stewards, treasurers, and guarantors of their Chinese stuff. Then, with the demise of the cohong system, the compradores rose to prominence. ⑫ There were about 250 ones in 1854, and 350 in 1870. The compradores were mostly from

⑦ S. A. M. Adshead, *The Modernization of the Chinese Salt Administration, 1900-1920* (Cambridge, Mass., 1970), pp. 148, 157-158.

⑧ Kuo-heng Shih, “The Early Development of the Modern Chinese Business Class”, Institute of Pacific Relations, ed., *The Rise of the Modern Chinese Business Class* (New York, 1949), p. 24.

⑨ Chen Han-seng, *Landlord and Peasant in China*, p. xi.

⑩ Wellington K. K. Chan, *Merchants, Mandarins and Modern Enterprise in Late Ch’ing China* (Harvard University: The East Asian Research Center, 1977), p. 37.

⑪ *Ibid.*, p. 43.

⑫ *Ibid.*, p. 43.

Kwangtung at first, but later, many were from Chekiang and Kiangsu. Among the famous 100 compradores in the 1920s, 43 were from Chekiang, 31 from Kiangsu, 7 from Kwangtung, 7 from Anhui, 1 from Kiangsi, and 3 unknown. Some eminent compradores, such as Tong Ching-sing, Cheng Kuan-ying and Yü Hsia-ch'ing, invested a great deal of their savings in modern industries, mining and transport businesses. They came to be thought of as "runing dogs" of the foreign capitalists, but in deed made some contributions to the economic modernization of China. ③

Bankers in late Ch'ing and Early Republican China could not be taken as new businessmen. There were then two kinds of banks: traditional banks and modern ones. The traditional bank of China was called *ch'ien-chuang*, the roots of which went back to at least the Southern Sung Dynasty. During the early Republican period, China had at least 1,500 such traditional banks with the capital of more than \$4,000 each. At the same time, 390 modern banks were established during the years between 1896 and 1937. In 1936, 25,652 persons were hired by the 164 modern banks and their 1,332 branches. Some eminent figures such as Sheng Hsüan-huai, Liang Shih-i, Chu Pao-san, Yeh Ching-ku'ei, Chang Kia-ngau, Ch'ien Yung-ming, Hu Chün and Ch'en Lien-po, were well-known bankers. ④

The industrialists are another group of businessmen whose number increased along with the development of modern industries. Persons such as Chang Chien, Chou Hsüeh-hsi, Mu Hsiang-yueh and Hu Wen-hu, were famous industrialists ⑤ in the early years of China's industrial development.

There were other kinds of businessmen that we cannot discuss here in detail. Taking the business stratum as a whole, it is clear that its size and influence have been increasing, especially after the establishment of the chambers of commerce. The chamber of commerce was officially ushered into being in 1902 by the Ch'ing Government. By 1908 there were chambers in 31 major and 135 smaller cities. ⑥ In 1910 the chambers of commerce

③ Yen-ping Hao, *The Compradore in Nineteenth Century China* (Cambridge, Mass., 1971), pp. 51-54, 100-102, 114-136.

④ Su Yun-feng, "Min-ch'u Chih Shang-jen (Merchants in Early Republican China)" *Bulletin of the Institute of Modern History, Academia Sinica*, Vol. 11; Y. C. Wang, *Chinese Intellectuals and the West*, pp. 428, 480-481.

⑤ Su Yun-feng, "Min-ch'u Chih Shang-jen", *Ibid.*

⑥ Shirley S. Garrett, "The Chambers of Commerce and YMCA", Mark Elvin and G. William Skinner, eds., *The Chinese City Between Two Worlds*, pp. 217-218.

had about 200,000 members, of which 13.1% were from Kwangtung, 11.4% from Kiangsu, 8.8% from Chihli, and 8.7% from Chekiang. The percentages in other provinces were lower.⁵⁷ During the early Republican period, the number of chambers and chamber members continued to grow. There were about 800 chambers in 1912; 1,242 with a quarter of a million members in 1915; and 1,447 in 1919.⁵⁸

Around 1920, prospects for the business stratum were relatively good. Partly backed by businessmen, the Federalist movement was gaining momentum, the cultural renaissance was under way, social reform movements in health and education were making headway, and a series of boycotts seemed successful. Under these circumstances, businessmen began to entertain ambitious plans for running cities, provinces and even the entire country. In Tientsin in 1920, the silk merchant Chao Chun-ching told the Chamber of Commerce that the commercial circles should accept responsibility for the welfare of the country. At the end of 1921, the national chambers of commerce heard a speech stating "We know the conditions of our country and we know her needs and we can bring to her our experience and knowledge ... only the merchants, educationalists, industrialists and bankers can have leisure and experience and can command the respect of people".⁵⁹ On the other hand, during the years of 1926 to 1927, the interests of the Shanghai financial elite became increasingly aligned with the political interests of the Chinese Nationalist Party under Chiang Kai-shek, who offered political reunification and an end to the warlord rivalries that struck at the heart of their financial interests.⁶⁰

The businessmen were then mainly concentrated in cities of the coastal provinces and provinces along the Yangtze River. In comparison with the whole population, the size of the business stratum was small. Yet it has been estimated that there were, in the 1920s, approximately ten million or

⁵⁷ Chang Yu-fa, "Modernization of China, 1860-1916: Regional Comparisons in Thirteen Provinces", A Paper Presented at the Annual Meeting of the Association for Asian Studies, Los Angeles, California, March 30-April 1, 1979.

⁵⁸ Shirley Garrett, "The Chambers of Commerce and YMCA", *Ibid.*, pp. 218, 220.

⁵⁹ *Ibid.*, p. 225.

⁶⁰ Susan Mann Jones, "The Ningpo Pang and Financial Power at Shanghai", Mark Elvin and G. William Skinner, eds., p. 95.

⁶¹ Su Yun-feng, "Min-ch'u Chih Shang-jen", *Ibid.*

more businessmen in China, ⑥ perhaps 2.5 per cent of the whole population.

This percentage has increased along with the economic development, especially in Taiwan after 1949. Statistical data show that the non-agricultural population in Taiwan was 42% in 1946, 50% in 1956, 55% in 1966, 66% in 1976, and 67% in 1978. ⑦ Most of the non-agricultural population was engaged in trading, mining, manufacturing, transporting and other servicing businesses, or work for governments, factories, companies, and other business organizations. Many farmers also ran businesses. Because of the commercialization of farming, most of the farmers transported their products to the local towns, big city markets, processing factories, and the collecting stations of the marketing cooperatives. ⑧

In 1949, when the Chinese Nationalist Party carried out its last struggle against the Chinese Communist Party on the Mainland, an observer made a pessimistic prediction for the future of the Chinese business stratum:

Regardless of the outcome of the struggle between the Kuomintang (Nationalist Party) and the Chinese Communists, the writer does not think there will be a great future for the modern business class. If the Kuomintang wins, most of the industries will be owned and dominated by the government or by officials. Private industrialists would become minor partners of high officials. If the Communists win, probably all major new industries will eventually be nationalized and put under party control. In either case there would be not much room for independent industrialists to develop. ④

The observer was right with regard to the Chinese Communists, but he erred with regard to the Kuomintang. Despite his prediction, Taiwan under the Kuomintang has increasingly become a society of the businessmen.

⑥ Wang Wei-lin, "Tsu Jen-kou-hsueh Kuan-tien K'an Wo-kuo Tu-shih She-huei (The Urban Society of Our Country: A Demographic View)", Chu Tsen-lou, ed., *Wo-kuo She-huei te Pien-ch'ien yu Fa-chan* (Social Change and Development of Our Country) (Taipei, 1981), pp. 419-420.

⑦ Cheng-hung Liao and Martin M. C. Yang, "Socio-Economic Change in Rural Taiwan, 1950-1978", James C. Hsiung and others, eds., p. 231.

⑧ Kuo-heng Shih, "The Early Development of the Modern Chinese Business Class", Institute of Pacific Relations, eds., *The Rise of the Modern Chinese Business Class* (New York, 1949), Part II, p. 19.

During the years between 1961 and 1983, the number of businesses in Taiwan increased from 51,567 to 711,326, of which more than 90 per cent being small and medium businesses (see Table 18). Yet even if every owner of business is taken as a member of the business stratum, the size of the business stratum would occupy only 4.3 per cent of the whole population.

Table 18 Business Composition in Taiwan, 1961-1983

Year	Number of Business	Percentage of Small and Medium Business	Percentage of Big Business
1961	51,567	99.20	0.80
1966	217,651	99.30	0.70
1971	278,965	98.00	2.00
1983	711,326	98.67	1.33

Source: Hung Chun-ying, " Chung-hsiao Ch'i-yeh te Ching-ying yu Ch'eng-chang (The Management and Growth of the Small and Medium Business) , *Chung-kuo Lun-t'an* (The China Tribune) , Vol. 10, No. 8, July 25, 1980; " Number of Small and Medium Business: A Statistical Table ", by Medium and Small Business Administration, Ministry of Economic Affairs, Republic of China, August 1983.

In Taiwan, it is common that a number of companies would form one group and owned by one person or a set of relatives. We can identify about one hundred such major groups. During the years between 1971 and 1979,

Table 19 Total Sales of Business Groups in Comparison to Gross Domestic Production in Taiwan, 1971-1979

Year	Number of Groups	Number of Companies	Sales (Billion)	Sales in Percentage of Total Sales of Private Business	Sales in Percentage of G.D.P.	Number of Persons Employed
1971	111	625	66.9	35.3	25.5	235,275
1974	106	787	151.4	36.3	27.7	—
1979	100	645	381.9	43.6	32.8	312,831

Source: Ts'ai Hsien-ch'ang, " Tai-wan Ching-chi te Huei-ku yu Chan-wang (The Economy of Taiwan: Retrospect and Prospect) ", *Ya-Chow-Jen* (The Asian Man) , No. 5, Sept. 1, 1981; China Credit Information Service, ed., *Business Groups in Taiwan* (Taipei, 1983) , p. 18.

the total sales of these hundred groups amounted to 25.5 to 32.8 per cent of the Gross Domestic Production (see Table 19). The first ten business groups are: (1) Formosa Plastics, (2) Cathay Trust, (3) Yue Loong Motor, (4) Ta Tung, (5) Tainan Spinning, (6) Far Eastern, (7) Pacific Electric Wire, (8) Shin Kong, (9) Taiwan Cement, (10) Sampo. During the years of 1971 to 1979, the total sales of these ten groups took up 9.6 to 16.0 per cent of the Gross Domestic Production (see Table 20).

The business stratum in Taiwan has grown along with the progress of industrialization and urbanization in the last thirty years. Since

Table 20 Sales of the First Ten Business Groups in Comparison to the G.D.P. in Taiwan, 1971-1979

year	Number of Companies	Sales (Billion)	Sales in Percentage of Total Sales of Private Business	Sales in Percentage of G.D.P.	Number of Persons Employed
1971	—	25.2	13.3	9.6	—
1973	109	50.1	16.1	12.3	88,827
1975	122	69.6	16.1	11.9	105,145
1977	131	100.8	16.6	12.3	132,141
1979	159	186.1	21.2	16.0	145,458

Source: *Ibid.*

businessmen are more and more influential in economic as well as social and political spheres, they have entered the social elite stratum together with the intellectuals and technicians.

V. Urbanization as a Social Trend

Some ninety years ago, the majority of the Chinese people lived in rural areas where villages were small, and most of the villagers were farmers known to each other. A small portion of the population, probably no more than 6 per cent, lived in urban areas—towns and cities, where people had different professions and knew little of each other (see Table 21). Since then, because of the developments of trade, industry, transport and other businesses, urban areas have become centers for immigrants from rural or

Table 21 Differences Between Rural and Urban Areas

Category	rural Areas	Urban Areas
Political affairs	By gentry	By government and police
Literacy	Low	High
Social order	By ritual and virtue	By law
Social mobility	Small	Large
Social relations	Lineal and geographical	Professional and Organizational
Economic life	Self-sufficient	Interdependent

Source: Fei Hsiao-t'ung, *Hsiang-t'u Chung-kuo* (Rural China), especially pp. 4-5, 10.

other areas. For example, of the 500,000 inhabitants of Mukden in 1935, only 39.2% were born in Mukden, 17.4% elsewhere in Liaoning Province, 35.3% in Shantung and Hopei, and 3.6% in Japan and Korea. ⑤ The urban area, as exemplified by cities, has three characteristics. First, there is greater population size. The population size of a city is given as more than 2,000 in France, more than 2,500 in the United States, more than 5,000 in Belgium, more than 10,000 in Egypt, more than 20,000 in Switherland, and more than 30,000 in Japan. Second, population density .is high. For example, the average population density of the first five cities of Taiwan in 1978 was 5,489 per square kilometer, but that of the sixteen counties, only 354 per square kilometer. Third, populations are more heterogenous. Most of the inhabitants of a city are from different geographical origins, have various economic activities, and do not make a living from agriculture. ⑥

In late imperial times, urban expansion occurred in coastal provinces and provinces along the Yangtze River. China's most urbanized province in the late Ch'ing and early Republican period was Kiangsu. In 1919, Kiangsu had 10 cities with a population of more than 100,000 each, 7 cities with more then 50,000 population, and 16 cities with more than 25,000 population; in 1932, the corresponding figures were 10, 17 and 17. Shanghai was the largest

⑤ Irene B. Taeuber, " Migrants and Cities in Japan, Taiwan, and Northeast China ", Mark Elvin and G. William Skinner, eds., pp. 374-376.

⑥ Wang Wei-lin, " Tsu Jen-kou-hsueh Kuan-tien K'an Wo-kuo Tu-shih Sheh-hui (The Urban Society of Our Country: A Demographic View) , Chu Tsen-lou, ed., pp. 397, 399, 412.

city in Kiangsu. It had a population of 200,000 in 1843, 250,000 in 1872, 1,000,000 in 1911, and 1,500,000 in 1921. In contrast to Kiangsu, Chekiang had more small cities. For example, Chekiang had 66 cities with 10,000-20,000 inhabitants each in 1921, while Kiangsu had 33 in 1919. The only metropolis in Chekiang was Hangchow, which had 250,000 inhabitants in 1884, 680,000 in 1911, and 810,000 in 1928. Urban growth in the upper Yangtze can be illustrated by Hankow in Hupei, whose population was 180,000 in 1888, 520,000 in 1906, and 700,000 in 1917. Some urban expansion has occurred in North China in the modern times, because of railroad construction. In Shantung, Chinan provided a home for 100,000 people in 1906, 200,000 in 1911, and 270,000 in 1917; and Tsingtao maintained a population of 160,000 in 1910, and 320,000 in 1927. In Chihli (Hopei after 1928), the population of Peking was 500,000 in late 19th century, and it increased to 930,000 in 1919; on the other hand, Tientsin had 320,000 people in 1903, and 750,000 in the 1910s.⁶⁷ According to some early twentieth-century Japanese surveys, Kiangsu, Hopei and Szechwan were the top three urbanized provinces in China. The survey data show that 13.6% of the population of Kiangsu, 11.2% of that of Hopei, and 9.9% of that of Szechwan lived in cities which were regarded as important or had over 10,000 inhabitants.⁶⁸

Today, the most urbanized province in China is Taiwan, the rapid industrialization of which has led to its rapid urban expansion. The proportion of Taiwan's population living in the cities rose from 10.5% in 1920 to 15.2% in 1950. In 1956, 33.6 and 34.9% of the residents of Taipei and Kaohsiung, respectively, had been registered originally in some other localities in Taiwan.⁶⁹

The urbanization of Taiwan partly reflected the population increase, but the rate of increase was greater in urban centers than in rural areas (see Tables 22, 23).

⁶⁷ Chang Yu-fa, "Modernization of China, 1860-1916: Regional Comparisons in Thirteen Provinces", *Ibid.*; Wang Shu-huai, *Chung-kuo Hsien-tai-hua te Ch'u-yu Yen-chiu—Kiangsu Sheng* (A Regional Study on the Modernization of China: Kiangsu Province) (Taipei, 1984), pp. 483-484.

⁶⁸ Mark Elvin, "Introduction", Mark Elvin and G. William Skinner, eds., *The Chinese City Between Two Worlds*, p. 6.

⁶⁹ Bernard Gallin and Rita S. Gallin, "The Integration of Village Migrants in Taipei", Mark Elvin and G. William Skinner, eds., pp. 331-332.

Table 22 Population Increase of Taiwan in Urban Centers and Rural Areas, 1950-1960

Urban Centers	Population of 1950	Population of 1960	Percentage of Increase	Rural Areas	Population of 1950	Population of 1960	Percentage of Increase
Taipei City	503,086	898,655	78.6	Taipei County	503,058	829,012	64.8
Taichung City	199,519	298,119	49.4	Taichung County	460,598	605,437	31.3
Tainan City	221,088	337,602	52.7	Tainan County	606,739	787,203	29.7
Kaohsiung City	267,515	467,931	74.9	Kaohsiung County	447,296	617,380	38.0
Keelung City	145,045	234,441	61.2	—	—	—	—

Source: Ch'en Shao-hsin, *Tai-wan te Jen-kou Pien-ch'ien yu She-huei Pien-ch'ien* (Demographic Change and Social Change in Taiwan) (Taipei, 1979), pp. 545, 552-554.

Table 23 The Average Annual Growth Rates of Population in All Taiwan and Its Five Major Cities, 1920-1970

Year	Population (in Thousand)		Year	Annual Growth Rate (per cent)	
	All Taiwan	Five Major Cities		All Taiwan	Five Major Cities
1920	3,655	356	1920-30	2.3	3.7
1930	4,593	517	1930-40	2.5	3.7
1940	5,872	751	1940-50	2.5	5.8
1950	7,554	1,337	1950-60	3.6	5.1
1960	10,792	2,237	1960-70	3.1	4.3
1970	14,676	3,450			

Source: Alden Speare, Jr., "Urbanization and Migration in Taiwan", *Economic Development and Cultural Change*, Vol. 22, No. 2, Jan. 1974.

The years after 1960 witnessed a even more rapid urbanization in Taiwan, and the migration to the large cities drastically increased. For example, between 1961 and 1966 the average annual net migration rate was 15.9 per 1,000 population for the five largest cities, 12.5 for the other five cities over 100,000, and 4.9 for urban townships between 50,000 and 100,000. Conversely, smaller urban townships and rural townships lost population, on the average.⁷⁰ During the years between 1965 and 1982, the

⁷⁰ Alden Speare, Jr., "Urbanization and Migration in Taiwan", *Economic Development and Cultural Change*, Vol. 22, No. 2, Jan. 1974.

population of Taipei increased from 1,119,882 to 2,327,641 (increased by 107.8%); Kaohsiung, from 587,373 to 1,248,175 (112.5%); Taichung, from 361,093 to 621,566 (72.1%); and Tainan from 400,455 to 609,934 (52.3%). Especially astonishing is the growth of the five satellite cities of Taipei: Chung-ho, from 42,262 to 294,621 (597.1%); Hsin-chuang, from 30,899 to 202,211 (552.8%); Pan-ch'iao, from 74,533 to 1,248,175 (490.6%); Yung-ho, from 59,804 to 221,298 (270.0%); and San-ch'ung, from 152,819 to 340,581 (122.9%).^① According to statistical data for 1978, 79 per cent of the population of Taiwan lived in cities with population more than 30,000 (See Table 24).

Table 24 Urbanization of Taiwan, 1978

Cities Classified by Number of Population	Number of Cities	Total Popula- tion of Cities	Percentage of Total Population of Taiwan
Cities with Population More than 100,000	21	7,700,000	45.0
Cities with Population More than 50,000	49	9,630,000	56.0
Cities with Population More than 40,000	103	12,360,000	72.0
Cities with Population More than 30,000	138	13,580,000	79.0

Source: Wang Wei-lin, " Tzu Jen-kou-hsueh Kuan-tien K'an Wo-kuo Tu-shih She-huei ", Chu Tsen-lou, ed., p. 402.

During the years 1959-1978, almost every county in the more agricultural areas experienced much net migration to other areas. The four counties with the most net migration were Chia-i (233,800), Tainan (220,700), Yun-lin (215,300) and Changhua (207,100). All of the four counties are in the agricultural areas.^②

① Ts'ai Hung-chin, " She-ch'u Pien-ch'ien yu She-ch'u Ch'ung-cheng (Change and Reorganization of the Community), A Paper Presented at the Convention of Chinese Scholars in North America, June 29 to July 2, 1984, Los Angeles.

② Ts'ai Hung-chin, " Tai-wan Ti-ch'u te She-huei Ching-chi Fa-chan yu Jen-kou Pien-ch'ien (Socio-Economic Development and Demographic Change in Taiwan) ", Chu Tsen-lou, ed., p. 443.

Urbanization has been seen by some scholars as a harmful factor to the rural economy.^⑬ Indeed, in the early years of Chinese modernization, many of the traditional industries in the rural areas, which used to be the main sources of rural income, could not compete with modern industries, and a lot of rural land was purchased by capitalists from the cities. Under these circumstances, the wealth gap between cities and villages became wider and wider. Yet since in Taiwan the development of industry was accompanied by land reform and agricultural improvement, industrialization and urbanization did very little harm to the rural economy, although the economy of the agricultural sector did not grow as fast as that of the industrial sector. Furthermore, industrial technology helped improve agricultural management, and people who lived in the rural areas have welcomed opportunities to increase their income by working in urban areas.

Apart from its impact on the countryside, urbanization has perhaps displayed fewer phenomena of disorganization in China than in many other countries. The reasons cannot be fully discussed here, but I would emphasize the role of Chinese cultural values, such as humanity, rectitude, propriety, and sense of honor. All in all, Chinese modernization in Taiwan has proceeded in a considerably orderly way.

VI. Changes in Family Structure

The various societal changes described above have been accompanied by changes in family structure. Firstly, migrations from rural areas to urban centers tended to weaken the traditional extended family, in which married brothers, their families, and their parents all lived together under one roof. Secondly, the change from agricultural to non-agricultural occupations mostly furthered the economic independence of the young, who were inclined to live alone. Thirdly, geographical and professional mobility were easier for small families than for large ones. Under these circumstances, migrations and occupational changes naturally led to a decrease in the number of extended families and an increase in that of nuclear units.^⑭ That is to say, the traditional forms of the Chinese family

^⑬ Fei Hsiao-t'ung, *Hsing-t'u Chung-kuo*, p. 17.

^⑭ Alden Speare, Jr., "Migration and Family Change in Central Taiwan", Mark Elvin and G. William Skinner, eds., p. 303.

are gradually given way to modern ones.

Modern Chinese families are much different from traditional ones. Under the traditional family system, extended family and patrilocal residence were the ideal; the low status of the wife and children combined with parental control of spouse selection were the rule; and the clan or lineage often controlled the family and provided the family with many of its functions. On the other hand, in the context of the modern family system, the nuclear family and neolocal residence are the ideal; the wife has equal rights with the husband, and the clan has lost many of its functions and can no longer control the family. ⑤

In the decade of the 1890s the pattern of the Chinese family was still traditional, but in the 1980s it looks fairly modern. The driving forces of this change are industrialization, urbanization, and the spread of new ideas. The most important change of the Chinese family is the size of the family. Generally speaking, from ancient down to modern times, an average Chinese family had about 5 to 6 members. ⑥ Ping-ti Ho's study shows that the average Chinese family had 5.68 persons in 1393, and 5.33 in 1812. ⑦ These figures changed little up to the 1930s on the Mainland and up to the years of 1946 to 1975 on Taiwan. In the years between 1934 and 1935, the average family size of Mainland China was 5.5 persons, and in the years of 1946 to 1975, the family size of Taiwan was 6.09 to 5.27 persons in average. ⑧ However, the years of 1969 to 1979 saw a reduction of average family size from 5.64 to 4.86 persons (see Table 25).

Reasons for this recent reduction in family size are not difficult to explain. One reason of the reduced family size is the split of the family soon after all sons are married. This is common in Taiwan today. Since most of the parents have no assets to be inherited, young couples prefer living separately from their parents as soon as they got married. The other reason is due to the decreasing number of children by practicing

⑤ Chun-kit Joseph Wong, *The Changing Chinese Family Pattern in Taiwan* (Taipei, 1981), pp. 45-46.

⑥ Chu Tsen-lou, " Chung-kuo Chia-t'ing Tsu-chih te Yen-pien (Organizational Changes of the Chinese Family) ", Chu Tsen-lou, ed., p. 269.

⑦ Ping-ti Ho, *Studies on the Population of China, 1368-1953*, p. 10.

⑧ Chun-kit Joseph Wong, pp. 97, 274.

Table 25 Average Number of Family Persons in Taiwan, 1969 – 1979

Year	Number of Population	Number of Households	Average Number of Family Persons
1969	14,334,862	2,541,867	5.64
1970	14,675,964	2,620,105	5.60
1971	14,994,823	2,702,792	5.55
1972	15,289,048	2,781,325	5.50
1973	15,564,830	2,865,801	5.43
1974	15,852,224	2,958,843	5.36
1975	16,149,702	3,066,611	5.27
1976	16,508,190	3,182,646	5.19
1977	16,813,127	3,307,224	5.08
1978	17,135,714	3,437,392	4.99
1979	17,479,314	3,593,052	4.86

Source: Chu Tsen-lou, "Chung-kuo Ch'a-t'ing Tsu-chih te Yen-pien", Chu Tsen-lou, ed., p. 274.

family planning.^⑨ In this respect, Taiwan has had considerable success. From 1969 to 1979, the natural population growth rate decreased from 2.288 per cent to 1.850 per cent.^⑩ The diminishing rate is also a result of industrial development, because industrial development increases female employment, and female employment makes children-bearing and raising inconvenient and expensive.^⑪

It is believed that traditional families were large in size, modern ones, small. But one can also say that whether a family is large or small depends not on numbers but on composition. A family of four persons can be called a large family, if it includes father, mother, son and son's wife, and a family of more than ten persons can be called a small family, if it consists only husband and wife with their children.^⑫ From a structural point of view,

⑨ Cheng-hung Liao and Martin M. C. Yang, "Social-Economic Change in Rural Taiwan, 1950-1978", James C. Hsiung and others, eds., *The Taiwan Experience, 1950-1980*, pp. 228-229.

⑩ Chung-kit Joseph Wong, *Ibid.*, p. 43.

⑪ Ts'ai Hung-chin, "Tai-wan Ti-ch'u te She-huei Ching-chi Fa-chan yu Jen-kuo Pien-ch'ien (Socio-Economic Development and Demographic Change in Taiwan)", Chu Tsen-lou, ed., p. 431.

⑫ Fei Hsiao-t'ung, *Hsiang-t'u Chung-kuo*, p. 39.

there are mainly three kinds of families: nuclear families or conugal families, composed of husband and wife with their children; stem families, composed of all lineal family members; and extended families or joint families, composed of the family members of several generations. There are very few statistical data which can be used here to examine the changing ratios between these three kinds of families in China. The earliest figures we have are those for 1946, when families of several districts of China were surveyed. Some survey data show that 53.6 to 66.6 per cent of the

Table 26 Family Type and Social Stratum in Villages of North China
(458 families), 1946.

Family Type	Farm Laborers	Poor Farmers	Middle Farmers	Well-to-do Farmers	Landlords
Total Number of Families	61	163	125	58	51
Percentage of Nuclear Families	54	41	27	17	12
Percentage of Stem Families	35	44	44	42	35
Percentage of Extended Families	11	15	29	41	53

Source: Olga Lang, *Chinese Family and Society* (New York, 1968), p. 136.

Table 27 Family Type and Social Stratum in Shanghai
(208 Families), 1946

Family Type	Industrial Workers	Lower-Middle Stratum	Middle Stratum	Upper Stratum
Total Number of Families	143	42	15	8
Percentage of Nuclear Families	71	62	73	50
Percentage of Stem Families	24	33	27	50
Percentage of Extended Families	5	5	—	—

Source: *Ibid.*, p. 137.

families of the upper stratum were extended, while 47.6 to 71.0 per cent of those of the lower stratum were nuclear (see Table 26, 27, 28). These figures imply that the richer the family, the bigger it was, and the poorer, the smaller.

Table 28 Family Type and Social Stratum in Fukien Province
(44 families), 1946

Family Type	Poor Farmers	Middle Farmers	Well-to-do Farmers	Merchants and Landlords
Total Number of Families	21	9	4	6
Percentage of Nuclear Families	47.6	33.3	25.0	16.7
Percentage of Stem Families	38.1	55.6	—	16.7
Percentage of Extended Families	14.3	11.1	75.0	66.6

Source: *Ibid.*, p. 148.

This kind of family structure was probably common in Chinese history. Yet, in the course of industrialization and urbanization, the extended families have become fewer and fewer, and the nuclear families more and more. According to Ch'en Shao-hsing and Li Teng-lu's survey of 1,712 residents in the Kuting district of Taipei City in 1964, 69.8 per cent of the families were nuclear, 12.6 stem, and 0.6 extended.^③ The percentage of the nuclear family is probably lower in rural areas than in urban centers. According to Hsi Ju-chi's survey of 360 families in a village in Taichung County in 1971, 50 per cent of the families were nuclear, 38 stem, 7 extended, and 5 unclassified.^④

In addition to such changes in structure, there have been changes in the attitudes of the family members, who become somewhat more individual-oriented rather than family oriented. Firstly, family members tended to live and work for themselves or for their small families and not exactly for their larger families and clans. Secondly, they became more equalitarian and less authoritarian. There was more emphasis on affective ties, less on the strong use of authority. Thirdly, family members became somewhat more independent both in everyday living and in outlook. In many cases they preferred the self as the source of motivation, decision, commitment, and support, not a senior relative or the family.^⑤ These kinds

③ Chun-kit Joseph Wong, *Ibid.*, p. 92.

④ Chu Tsen-lou, " Chung-kuo Chia-t'ing Tsu-chih te Yen-pien ", Chu Tsen-lou, ed., p. 279.

⑤ Yang Kuo-shu, " Chung-kuo Jen Hsing-ke yu Hsing-wei te Hsing-ch'eng chi T'uei-pien (Shaping and Changing of the Chinese Personality and Behavior) ", Chu Tsen-lou, ed., pp. 234-239, 246-247.

of attitude change have, in turn, brought about others. The 1956 and 1965 studies of the changing attitudes of the National Taiwan University students toward marriage and the family have led to different results. Of the 651 students surveyed in 1956, 59 per cent felt that newlyweds should not live with their parents but of the 411 students surveyed in 1965, 80 per cent felt that newlyweds should not live with parents. ⑥ In fact, there are fewer and fewer newlyweds who still live with parents. A survey of 249 couples made in 1966 by Chu Tsen-lou shows that 62.0 per cent were neolocal, 28.4 patrilocal, 8.8 matrilocal, and 0.8 unknown. ⑦ Yet despite the residential separation, children seldom fail to look after their parents.

In sum, family change in Taiwan during the past thirty years fall mainly under five headings: (1) The family structure has changed from extended to nuclear with a number of stem families as a transitional form. (2) Marriages arranged by parents have mostly given way to marriages based on the decision of the spouse. (3) The ideal residential system has changed from patrilocal to neolocal. (4) Families have fewer children than ever. ⑧ (5) The wife has equal rights with the husband.

VII. Conclusion

Ninety years ago, many of the Chinese new, younger leaders thought that the future of China would largely have to depend on industrialization. For example, Chang Chien, in a memorial written for the Viceroy of Hupei and Hunan in 1895, said :

Industry is the basic way to enrich the people and strengthen the nation in foreign countries.....The population of China is more than that of any other country in the world. If China would be able to set her industry in motion, there would be no more poverty for her. ⑨

K'ang Yu-wei, in a memorial of 1898, recognized:

⑥ Albert R. O'hara, " Actual Changes follow Attitudinal Changes Toward Marriage and the Family in the Republic of China ", *Journal of Sociology* (National Taiwan University), No. 3, July, 1979.

⑦ Chun-kit Joseph Wong, *Ibid.*, p. 84.

⑧ *Ibid.*, pp. 99-101.

⑨ See Chao Feng-t'ien, *Wan-Ch'ing Wu-shih Nien Ching-chi Ssu-hsiang Shih* (History of Economic Thought in the Fifty Years of the Late Ch'ing) (Taipei, 1975, Reprint), p. 85.

If a nation stresses agriculture, it will be conservative and become more and more stupid; if a nation stresses industry, it will increasingly turn to the new and grow in wisdom, day by day.……We are already in an industrialized world, in which every nation emphasizes the pursuit of scientific knowledge. It would not be wise for our nation to compete with other nations while it is still an agricultural nation with conservative and stupid people.……If we could change the old model and develop our industry elaborately, we would set up our national foundation in the new world without fear and would no longer depend upon other nations. ⑩

As mentioned before, Sun Yet-sen, in his letter to Li Hung-chang in 1894, recognized that science and machinery were the primary means of industrialization. ⑪ In his *The International Development of China* in 1921, he proclaimed that Chinese industry had to be developed, and that the way to develop Chinese industry was to make use of foreign capital while improving mechanized production. ⑫

Industrialization has been the common goal for the Chinese. Therefore, China's economic development has consisted especially of a transition from agriculture to industry. Although there were difficulties and frustrations in the course of industrial development, industrialization always led the way for China's economic growth, especially after 1949, when the Chinese Nationalist Party renewed its plans for national reconstruction in Taiwan.

The industrialization of China has had many effects on her society. First, for the promotion of industrialization, China needed new knowledge and techniques. Therefore, China began to reform her educational system in the 1900s by abolishing the Imperial Examination System and establishing new schools of various kinds. Consequently, the new intellectuals and technicians gradually took the place of the gentry – imperial degree holders, as leaders of the Chinese society. Secondly, the development of industry, mining, trade, transportation, banking and other businesses has helped the rise of the merchants, who have not only played an increasingly important role in China's economic development but also gained more and more

⑩ *Ibid.*, p. 76.

⑪ *Kuo-fu Ch'uan-chi*, Vol. V, pp. 5-6.

⑫ *Ibid.*, Vol. II, p. 264.

political influence. Thirdly, industrialization has moved many people from the agricultural sector to non-agricultural sectors, and it has helped improve the living standard of the farmers, who in all previous times seldom escaped misery. Moreover, because most of the non-agricultural sectors concentrated in urban centers, industrialization has also helped create an urbanized society that is very different from the rural society of traditional China. Fourthly, the industrialized society of Taiwan has bred some degree of individualism among the Chinese, which is a departure from the traditional cohesiveness of geographical ties, lineage allegiances, and family connections. As a result, the Chinese families gradually changed from extended or stem families into nuclear ones. At the same time, to the extent that members of the family became more independent, the individual, not the family, became the core of the Chinese society.

Thus Chinese society has been well on the way to modernization during the last ninety years. Yet since 1949, the pattern of modernization on Mainland China has differed from that in Taiwan, whether in terms of speed or structure. Communist collectivism has had a more dysfunctional effect on modernization than the traditional forms of cohesiveness, because it conflicts with the development of self-motivation, which is the driving force of modernization. Therefore, the development of industries and other enterprises on Mainland China has been lagged behind. Rural households continue to account for about 85 per cent of the total population, and no more than 15 per cent of the labor force has moved to non-agricultural sectors.^③ By contrast, the non-agricultural population in Taiwan increased to 56.60 per cent of the whole population in 1966 and 75.04 in 1978.^④ Similarly, there are many technicians, but few independent intellectuals on Mainland China. After 1949, it was the Communist Party members, not the intellectuals and technicians who took the place of the traditional gentry stratum.^⑤ By contrast, there are more self-motivated leaders in Taiwan than on the Mainland. Furthermore, under the policy of “up to the

③ Peter Schran, “Agriculture in the Four Modernizations”, A Paper Presented at the Conference on Agricultural Development in China, Japan and Korea, December 17-20, 1980, Institute of Economics, Academia Sinica.

④ Chu Yun-han and P'eng Huai-en, eds., *Chung-kuo Hsien-tai-hua te Li-ch'eng* (The Process of China's Modernization) (Taipei, 1979), p. 275.

⑤ Chow Yung-teh, *Social Mobility in China* (New York, 1966), pp. 279-280.

mountains and down to the villages” carried out by the Chinese Communists, most of the people are still distributed in the rural areas, so that urbanization is far behind the Taiwan rate. Using revolutionary means, the Chinese Communists have changed the extended or stem families into nuclear ones. Yet there have been very few opportunities for individuals to develop their own business, at least until recently.

The pragmatic approach in this paper suggests that individualism, democracy and a system of free enterprise are driving forces of societal changes in China. In these respects, Taiwan has been set very well in motion, and Mainland China is not yet really underway.