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*MODELS OF RURAL DEVELOPMENT ADMINISTRATION:*

*THE JCRF EXPERIENCE IN TAIWAN*

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## MODELS OF RURAL DEVELOPMENT ADMINISTRATION

### THE JCRR EXPERIENCE IN TAIWAN

Richard Lee Hough

#### 1. Historical Introduction

The idea of a joint Chinese-U.S. agency administering American assistance to China's rural sector was conceived largely by the Nationalist Chinese on the Mainland in the post-World War II period. In late 1945, a China-United States Agricultural Mission was organized at the initiative of the Chinese Government to survey the needs of rural reconstruction and development in China and to recommend a program addressed to these needs. This Mission, composed of 13 Chinese and 10 American specialists, prepared a report on China's war-ravaged rural sector which was published in May 1947. The findings and proposals of the report precipitated the discussions that culminated in the establishment of the Joint Commission on Rural Reconstruction.

The prime mover in creating JCRR was Dr. Y. C. James Yen, pioneer and bellwether of the Chinese Mass Education Movement. Yen drafted the memorandum in 1948 proposing the setting up of JCRR and then played an influential role, along with Congressman Walter Judd of Minnesota - a former medical missionary in China - in obtaining the passage of the China Aid Act which provided for JCRR as one of its implementing arms. The Act was passed by the 80th Congress in April 1948 and in August of that year JCRR was formally authorized through an exchange of notes between the two governments. On October 1, 1948 JCRR was inaugurated in Nanking under the Chairmanship of the late Dr. Chiang Monlin, long-time Chancellor of prestigious Peking National University.

JCRR's programs on the Mainland, impressive as they were, were short-lived. In August of 1949 with Communist victory on the Mainland imminent, JCRR moved its headquarters and staff to the Province of Taiwan.<sup>9</sup>

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<sup>9</sup>For a detailed description and analysis of JCRR's first year of operations on Mainland China see JCRR General Report - 1 (Taipei, May 1950). For brief descriptions of this same period with particular emphasis upon JCRR's early accomplishments, see Albert Ravenholt, "Formosa's Rural Revolution." American Universities Field Staff Report (March 1956), 19-21; John D. Montgomery, Rufus B. Hughes, Raymond H. Davis, "Rural Improvement and Political Development: The JCRR Model," Papers in Comparative Public Administration, No. 7, American Society for Public Administration (Wash. D.C., July 1966), 7-8.

## 2. Profile of JCRR

JCRR's charter, derivative from a Sino-American agreement rather than from a Chinese law, permits it to operate on a semi-autonomous basis. Functionally, it is located outside of government lines of authority, both Chinese and U.S., and therefore able to receive and approve projects directly from rural organizations, public and private. The Joint Commission is however subject to the policy direction and fiscal surveillance of the two governments as represented by the Premier of the Government of the Republic of China (GRC) and the Director of the U.S. Aid Mission (now the U.S. AID Representative) to China.

The structure of the JCRR is based upon jointness. It is headed by a binational commission, originally composed of three Chinese and two American commissioners appointed by the Presidents of the two countries, and now by two Chinese and one American. The Commission exercises its authority through unanimous decisions.

The staff of the Commission also is organized on the principle of jointness. The size of the American component varied from year to year, generally in the range of 8 to 10. The largest at one time was 15. Some of the Americans were Division Chiefs; the majority however were subject-matter specialists working on the staff. The size of JCRR has changed considerably over the last two decades. In 1948, JCRR began operations with four divisions and a staff of 40. The high water mark of 11 divisions and around 250 persons was reached in the early 1960s. At the present time, the Commission is down to 9 divisions and a staff of about 180 persons, including 90 technicians.

The China Aid Act of 1948 stipulated that 10 percent of the economic aid funds made available to the Republic of China could be used to support JCRR programs. Within this prescription, the projects and overhead of the Joint Commission have been funded totally by U.S. aid-generated local currencies and aid allotted U.S. dollars. Since 1950, JCRR has disbursed on Taiwan and the off-shore islands of Matsu and Kinmen an approximate US\$ 136 million, of which US\$ 7.1 million were appropriated for U.S. procured commodity and technical assistance, and the balance of 95% Taiwan local currency generated from U.S. commodity imports. About two-thirds of the local currency have been grants to support public service and innovative type projects while one-third has been loans for capital investment projects with revenue producing or income generating capacity. The major categories to which JCRR resources have been allocated include Water Use and Control (31% of the NTS and 36% of the US\$), Crop Production, Agricultural Credit, Agricultural Research and Education, Rural Organization and Agricultural

**Extension, Rural Health, Fisheries, Forestry and Soil Conservation and Livestock Production.**

JCRR functioned through a markedly flexible and free financial and programming authority. The controls exercised by the GRC and the U S AID Mission were limited for the most part to review of the overall budget year program and intermittent post reviews of program performance and results.<sup>10</sup> The logic of jointness strongly implied the need for this freedom and flexibility.

JCRR's program format is the project. The profusion of its projects over the years blurs the fact that the Commission, while giving primary attention to the micro-setting of "production-action" projects particularly through the early-to-middle 1950s, became increasingly aware of the need for a reasonably systematic planning effort for the overall rural sector in Taiwan. The projects JCRR supported were selected, on the whole, because they made sense within a "sequenced" development strategy reflected in a series of agricultural Four-Year Plans beginning in 1953.<sup>11</sup>

JCRR is not an operating agency. Its staff works through and with public and private agencies at all levels. Project recipients are agencies which solicit JCRR's technical and capital assistance, assume responsibility for project execution and match JCRR's financial contribution on an agreed basis. Since the beginning of the Commission's operations on Taiwan, sponsoring agencies have contributed about 49 percent of the total financing of JCRR-supported projects.

The organizations which have been the beneficiaries of JCRR resources are many and varied - well over 700 and ranging, for example, from the Provincial Department of Agriculture to Township Forest Protection Associations.

JCRR-supported projects differ in magnitude and content, e.g., an island-wide rat extermination program and assistance to a single Township Farmers' Association for the renovation of its warehouse. Since 1950, the Commission has approved an approximate 6,500 projects covering the landscape of rural Taiwan. These projects reflect an approach of pragmatic and

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<sup>10</sup>Memorandum of Understanding Between the Economic Cooperation Administration and Joint Commission of Rural Reconstruction in China Defining Their Respective Spheres of Administrative Responsibility, (1948), Mimeo.

<sup>11</sup>See S. C. Hsieh, "Utilizing International Assistance for Rural Development - JCRR Approach in Taiwan," (Taipei, 1966), Mimeo., 13-14.

piecemeal problem solving, of directly responding to needs which have been generated upward by the farmers themselves, and of sifting project proposals through a rather spacious filter of development priorities.

The role JCRR has played in Taiwan's dramatic rural development<sup>12</sup> has been recounted elsewhere,<sup>13</sup> though not subjected as yet to the careful analysis it deserves. No doubt, this role has been of central importance; however it is pertinent to this paper to the extent that it sheds light upon the major features of the JCRR experience and its relevance to other country settings.

### 3. Major Features

Philosophy. It is an irony of the JCRR experience that the rural development philosophy of the Commission's most prominent advocate and founder, Dr. James Yen, was progressively put aside in the initial programs on the Mainland and then jettisoned once JCRR launched its intensive action programs on Taiwan.

Dr. Yen was the early protagonist within JCRR of an "Integrated Program of Rural Reconstruction" in large part modeled after his experiments with the Mass Education Movement in China. This program was defined as "the application of a coordinated attack on the multiple problems of a chosen rural community the solution of which may require political, economic and social changes that will affect the life of the whole community, with a view of bringing about a new social order for the betterment of rural life."<sup>14</sup> The core idea was to mount in pilot local communities a set of related activities such as adult education,

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<sup>12</sup>The average annual growth rate of agriculture in Taiwan, 1953-1964, the 12 year span of the three completed Four Year Agricultural Development Plans, was 5.84 percent. See JCRR General Report XVI, (Taipei, 1965) 1.

<sup>13</sup>Montgomery, op. cit., 9-12; S. C. Hsieh and T. H. Lee, "Agricultural Development and Its Contributions to Economic Growth in Taiwan," Joint Commission on Rural Reconstruction Economic Digest Series: No. 17, (Taipei, April 1966); S. C. Hsieh, "Impact of U. S. Foreign Aid on Taiwan's Agricultural Development 1951-64" (Taipei, 1965), Mimeo; T. H. Shen, Agricultural Development on Taiwan Since World War II. (Ithaca: Comstock Publishing Company, 1965).

<sup>14</sup>JCRR General Report - 1, 101.

land reform, agricultural extension, rural health and local administration improvement, to be implemented more or less simultaneously, with the objective of galvanizing through the reinforcing action of the activities major forces of social modernization and uplift.

Although this integrated community development strategy<sup>15</sup> was not without its successes, especially where land reform was an effective element of the pilot program such as in Fukien and Szechuan Provinces, JCRR thinking and action soon gravitated to a less grandiose, project-oriented approach.<sup>16</sup> The administrative arms of the former strategy, the Social Educational and Integrated Program Divisions, were never activated and the JCRR working philosophy which unfolded on Taiwan began to assume clearer shape.

The chaotic security and political conditions on the Mainland restricted possibilities of applying Dr. Yen's community development concepts. However, the sidetracking of these concepts involved more than expediency. Involved was a more basic difference among JCRR staff on how to approach rural development. This difference is apparent in many parts of JCRR's first General Report<sup>17</sup> and was recently reiterated to this writer by present JCRR officers, particularly in referring to the noted lack of success of the model community development projects which the Commission sponsored on Taiwan. In this regard, Professor Gayl Ness of the University of Michigan has pointed out that "in its experience 'JCRR' attempted to foster local community organizations of the type that lie at the heart of the Indian and Philippine programs. When these local organizations were found unwanted by the peasantry and found not to be necessary or integrally related to increased productivity, they were generally dropped from the activity of the JCRR."<sup>18</sup>

The philosophy of rural development which has dominated the JCRR program, though perhaps not directly counter to Dr. Yen's

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<sup>15</sup>Dr. Yen's ideas and programs are antedecedents of the post-World War II community development movement in the LDCs. The U. S. aid-supported community development programs in India and the Philippines are seminally related to Dr. Yen's work.

<sup>16</sup>JCRR General Report - 1, 102.

<sup>17</sup>Ibid., 5, 101-102, 104, 111.

<sup>18</sup>Notes of the Strategies of Development: Community Development, Local Government, and Development Programs," preliminary unpublished draft, (1965), 5.



concepts, certainly takes one down a different strategic road. This philosophy was premised on the imperative of responding to the common felt needs of the farmers themselves. "One of the basic ideas of the Commission was to learn from the farmers and the local people what they want and need instead of trying to teach them and tell them what they need. By trying constantly to find out what the farmers' wants and needs were, the Commission was able to provide the assistance which was most effective. For regardless of how good the intentions may be and how sound the program, anything which was to be superimposed upon the people without their response would have been defeated."<sup>19</sup> Second, the Commission conceived of its major task to be that of increasing agricultural production and improving living conditions through the income incentives resulting from this production, for the cutting edge of its experience soon indicated it is here that the needs and desires of the farmers were strongest. It was clear however that there must be an equitable distribution of the accrued benefits of increased production. The Commission thus brought to bear upon its project selection the broad principle of distributive social justice. Priority was given to those projects which would benefit the greatest possible number of people. JCRR's substantial support of the successful land tenure reform program in Taiwan, for example, was hand and glove with its principle of social justice. Last the JCRR philosophy has been pragmatic rather than preconceived and doctrinaire, purposely crystallized in a simple project format so as to facilitate rapid and piecemeal problem-solving in the different micro-environments of rural Taiwan.

Jointness JCRR, unlike the traditional U. S. foreign aid mission, in particular its Food and Agriculture Division, became in practice a component of the host country institutional system through which rural development was planned and executed. The integral role JCRR played resulted from its bi-national and semi-autonomous status which allowed it - given the stature and respect accorded it - to relate and coordinate inter-agency agricultural programs without being formally designated to perform this function.<sup>20</sup>

This "institutionalizing" of U. S. aid through the Joint Commission permitted a most effective utilization of the

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<sup>19</sup>JCRR General Report - 1, 11.

<sup>20</sup>See unclassified airgram, TOAID - A 622, 1/4/65, Community Development Report by Gerald Huffman, JCRR Commissioner, 2; Hsieh, "Utilizing International Assistance for Rural Development - JCRR Approach in Taiwan," 5.

American technician. In effect, U.S. rural and agricultural expertise was integrated on the line. The contribution of U.S. technicians was not limited to advice alone; their involvement in decision-making was deep and meaningful. JCRR's closely knit staff of U.S. and Chinese technicians provided a fertile climate for the transfer and adaptation of American technology and the devising of innovations valid for the Chinese situation. The Joint Commission provided an institutional form within which American innovative skills contributed quickly and effectively to ongoing programs.

The present JCRR Chairman Dr. T. H. Shen, who has been a Commissioner since the inception of JCRR, recently remarked that the "JCRR idea" was to put the American commissioners and staff into an "operational environment," to expose them to as many members of Chinese agricultural and rural agencies and groups as possible so as to maximize the opportunities of testing, adapting and multiplying their expertise. The shortcomings of the restrictive one-to-one, advisory counterpart arrangement, typical of the aid relationship in our rural technical assistance programs, were largely circumvented in Taiwan. It should be added that the difficulties of this arrangement are more injurious to American technical effectiveness in agriculture than, say, industry since the environment of agriculture generally is more diverse and fragmented with smaller units of production and larger numbers of local decision-makers.

A concomitant of jointness would appear to be a relatively small organization designed to give free play to the advantages of jointness, permit effective and rapid adjustment of the institutional form in response to new and different problems and facilitate flexibility of operations. JCRR always has been a small organization compared to the complex of institutions it has influenced, moved and assisted.<sup>21</sup>

Functional position of JCRR. The Joint Commission has been described on numerous occasions as the equivalent of a Ministry of Agriculture of the National Government, performing the functions of national planning, budget allocation, policy formulation and central control ordinarily associated with a ministry. However, this comparison is at least in part false and certainly misleading.

Functionally, JCRR has been a "floating" organization, which works as the occasion demands in cooperation with and in

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<sup>21</sup>For a perceptive discussion of the advantages and disadvantages of jointness, see Montgomery, op. cit., 28-31.

support of rural agencies at all levels of government - from the agricultural planning groups of the Ministry of Economic Affairs to the township agricultural offices - but without formal authority over or formal connection with any of the agencies. JCRR's functions, programs, and organization never have been regularized or rationalized within or with the host government bureaucracy. Rather they have changed sharply with changing problems and priorities. At appropriate times over the past decade when functions being performed by JCRR had become self-sustaining and routine, Divisions, e.g. Land Reform, Extension and Agricultural Information, were abolished and their staffs transferred to Provincial Departments. In turn in 1960 with the development of an expanded supervised credit program, JCRR established a new Agricultural Credit Division.

Although not external to the system given its joint-staff character, JCRR has not controlled, duplicated or displaced regular host country agriculture institutions. Its position does not have a specific locus at the center or at a lower level. Essentially JCRR's role has been that of a flexible innovator and catalyst, addressing its resources and energies to multiple points of the institutional structure of rural planning and programs in Taiwan and seeking to mobilize, link and coordinate the lines of action and communication in this structure from the top down and the bottom up toward the end of concerted rural development. As Commissioner Huffman put it, "The JCRR's rural development approach was to work horizontally across a wide span of needs and interests of Taiwan's rural society and to work vertically up and down the hierarchies of many agencies and organizations, public and private, which had a contribution to make to total rural progress. U.S. aid funds, technical assistance and leadership consultation were provided in many cases to make existing agencies and organizations more effective."<sup>22</sup>

This position of the Joint Commission carries with it the clear implication that the Commission is a temporary institution meeting temporary needs, albeit over an indeterminate period of time but eventually ripe for termination and the absorption of its functions in permanent institutions.

There is little doubt that the view of JCRR as a temporary institution is shared by Chinese and U.S. government officials. At the time of the termination of the U.S. Aid Mission to the Republic of China in June of 1965 and the creation of the Sino-American Fund for Economic and Social Development to

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<sup>22</sup>Huffman, op. cit., 2.

utilize residual U.S. aid-generated local currencies after phaseout, the future existence of JCRR was appraised. It was decided that JCRR still had a vital though more limited role to play in the rural development of the province. This role, defined in an Annex to the Exchange of Notes establishing the Fund, narrows JCRR's purview largely to advisory services to the GRC on the long range planning of agricultural development, R and D on new products and agricultural productivity problems, and serving as a coordinating agency of overseas Chinese assistance programs in agriculture. The Annex made clear that JCRR's activities were to be additive to the functions of regular government agencies and be designed so as to facilitate the latter's increasing assumptions of responsibility. The rationale for phaseout is explicit. The question of timing, which raises a host of administrative and political problems both between and within the two governments however was mooted given the prior decision to extend the Commission's life. The future of JCRR will be assessed again in 1970 when the Fund agreement itself is subject to review by the two governments.<sup>23</sup>

The Sponsoring Agency Approach to Aid Allocation. With a few exceptions, e.g. small experimental projects where there was no appropriate executing agency, JCRR has depended upon a diverse array of public and private organizations for the implementation of its project-oriented program.<sup>24</sup> The sponsoring agency approach is the strategic arm of the Commission's felt-need philosophy. The Commission's assistance has been based in considerable part on the value of working through and with "grassroots" organizations in direct contact with rural people to strengthen the capacity of such organizations to serve rural needs and sustain their programs after assistance is terminated.

The Servicios in Latin America, another form of joint administration of U.S. economic assistance, provide a real contrast with JCRR in the area of operating procedures. The former, terminated largely at U.S. initiative in the early 1960s after a controversial history, were indeed operating agencies. Although they varied in structure and functions, Servicios were similar with respect to organizing their own projects and not depending on existing host government rural institutions to carry them out. For the most part, Servicios were their own implementing organs.

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<sup>23</sup>See JCRR General Report XVI, 127-128.

<sup>24</sup>About 96 percent of JCRR-supported projects have been carried out by sponsoring agencies.

Servicios were criticized by American evaluators for their preoccupation with operations, particularly for neglecting in the process their institution-building and technology transfer responsibilities.<sup>25</sup> The soundness of this criticism is not in issue here. The relevant point is the contrast between the two forms of joint administration and the fact that JCRR was able to avoid the pitfall of self-perpetuating project operations through the prescience of its leadership but also as a result of the comparatively high level of manpower skills and the organizational foundation, the heritages of Japanese rule, which it was able to tap and build upon in Taiwan.

The Joint Commission's semi-autonomous position and specifically the extension of this position, its sponsoring agency approach, raise the question of competition and conflict between the government bureaucracy and the Commission. The potential for rivalry certainly existed given that this approach involved bypassing agencies such as the Provincial Department of Agriculture and Forestry and the Provincial Farmers Association and working directly with lower-level organizations, in many instances, formally under the supervision of the former. However, conflict materialized only on the margin, largely during JCRR's early years when there was spotty opposition in government circles to its free-wheeling, rapid-action ways of getting things done. On the whole, government agencies strongly and consistently supported JCRR and indeed looked to it for leadership. There are a few key factors which explained this record of cooperation and harmony. First, there was the selection of leaders. The Chinese Government chose as JCRR Commissioners and Division Chiefs prestigious government officials and/or respected professionals who had the experience and credibility to bridge effectively and move comfortably on both the JCRR Chinese-American staff side and the government bureaucracy side. For example, the first Chairman of the Commission, Dr. Chiang Monlin had previously served the National Government as Minister of Education and Secretary General of the Executive Yuan. The present Chairman, Dr. T. H. Shen, had been Director of the National Agricultural Research Bureau before the creation of JCRR. Both of these men, plus many other JCRR officials, had studied in the United States and had worked with Americans for many years. They were able to interpret constructively and meld the American presence and expertise to and with the Chinese government.

Second, JCRR's relations with the GRC benefited from the adage that "nothing succeeds like success." The government

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<sup>25</sup>See The Servicio Experience, Technical Assistance Research Project, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, AID Contract (June, 1965).

after some initial doubts quite perceptibly increased its support of the Joint Commission's local "production-action" projects in light of their success and popularity in rural communities. There was a progressive "jumping on the bandwagon" by GRC agricultural agencies, ironically more so by the Chinese than Americans in the Aid Mission and Washington, some of whom, seeing the trees rather than the forest, intermittently sought to force JCRR into the mold of unduly restrictive program controls and standardized operating procedures. This misunderstanding of joint operations by U.S. aid officials removed from the joint organization itself also was repeated in the Servicio experience with more damaging effects.

The sponsoring agency approach has produced a number of results which cut to the core of JCRR's success. First, the Joint Commission was able to give life and drama to its principle of distributive social justice. Its "direct line" programming facilitated a deep and broad penetration into the rural structure of Taiwan; in effect to give tangible evidence of its commitment to social justice and indeed to generate results which approximated the principle. In this regard Albert Ravenholt, American journalist and veteran commentator on China, points out:

All of its other efforts might have produced minimal results but for JCRR's guiding decision to make the achievement of social justice of equal importance with increase in productivity. routine United States aid programs regularly deny themselves the opportunity to mobilize popular response and negate American protestations of democracy by failing to adjust their efforts to the universal hunger of ordinary Asian citizens for a better break in life. In underdeveloped countries noncritical introduction of new technology particularly favors the "haves" and can aggravate dissatisfaction among the less fortunate. By insisting upon a fairer distribution of the benefits of increased production as a condition of financial and other assistance, the JCRR has avoided this pitfall and won a popular reputation for human concern that facilitates all Commission efforts.<sup>26</sup>

Second, JCRR succeeded in locating management and operational responsibilities for its projects within the client rural

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<sup>26</sup>Op. cit., 24.

organization in such a way as to engender local incentives for self-help actions quite untypical of the majority of LDC government agricultural programs. Recognition that JCRR would work at any level and with all types of rural organizations, private as well as public, and that the time-consuming, red tape-laden procedures associated with the central government and the U.S. foreign aid mission would be dispensed with, encouraged a striking assortment of community-based organizations to plan their own projects, solicit JCRR's financial and technical assistance and readily assume the burdens of project management and execution.

Similarly, the Joint Commission strategy of working directly with rural groups and agencies, seeking to help the farmers to organize, plan and act collectively, considerably strengthened their capacity to articulate publicly their interests and problems.

Use of the sponsoring agency approach also had the important result of creating an increasing popular demand in the countryside for better public services and an evolving awareness by government leadership of the need for providing such improved services. Achieving this result was a component part of JCRR strategy. This is indicated by the fact that in its early years in Taiwan, JCRR showed a rather marked preference for supporting projects at the lowest feasible level of public and private organization, a tactic calculated to sharpen expectations and demands below and to awaken awareness of these demands above.

A prime example of this tactic was JCRR's role in triggering and supporting the justly famous "green island" movement on Taiwan in the early 1950s - a long-run effort in reforestation directed to the reclaiming and turning to productive uses the mountainsides and highlands denuded during the war and immediate post-war periods. The Joint Commission initially bypassed an ineffective Taiwan Forestry Administration and went directly to the townships and counties to encourage and assist local leadership in launching the program. After performing its galvanizing role in the rural communities, the Commission then turned its attention to the Forestry Administration, providing it with considerable technical and capital assistance over a period of years.

Agricultural Planning. On the Mainland and Taiwan up to roughly 1953, JCRR gave only the broadest kind of attention to long-range planning. The Commission's perspective primarily was short-range, directed to reconstruction and the

achieving of more or less immediate and tangible results.<sup>27</sup> The aims were to get agricultural production on the upswing, rebuild and redirect physical and organizational infrastructure, launch land reform, and secure the confidence and participation of the rural masses. Thus, JCRR stressed projects in crop improvement (seed varieties and multiple cropping); rehabilitation of irrigation and flood control facilities and of warehousing and milling facilities, extension techniques and practices, rural health facilities, etc. Some initial consideration was given to the requisites and priorities of a "strategic pattern of sequenced development," however only at a high level of generality and focused almost wholly on "phase-oriented project activities."<sup>28</sup>

It was during this period, extended to the middle 1950s, that JCRR achieved its greatest successes with land reform, multiple cropping, reforestation etc., and also achieved its reputation as a dynamic organization committed to results rather than plans and to local service rather than central controls. Perhaps the image was somewhat overdrawn. Leastwise, the Commission's interest in, and tooling-up for, longer-range agricultural planning followed close on the heels of its impact-oriented programs as Taiwan's rural sector developed, diversified and generated different problems and needs, and its permanent rural institutions expanded and became increasingly effective.<sup>29</sup> Particularly since the early 1960s, JCRR's planning functions have assumed greater significance.

Beginning in 1953, the GRC has mounted three four-year agricultural plans and is now well into its fourth, 1965-68. These plans are developed under the leadership of the Agricultural Production Committee (APC) of the Council for International Economic Cooperation and Development (CIECD), a planning and foreign aid administration organ of the GRC.<sup>30</sup>

The Convenor of the APC is the Chairman of the Joint Commission and the Chief of the Commission's Office of Planning serves as its Executive Secretary. APC consists of eight

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<sup>27</sup>JCRR General Report - 1, 1, 6, 8.

<sup>28</sup>Hsieh, "Utilizing International Assistance for Rural Development - JCRR Approach in Taiwan," 3, 13-14.

<sup>29</sup>Ness, op. cit., 6-7.

<sup>30</sup>Up to 1963, APC was known as the Agricultural Planning and Coordinating Committee (APCC) and was located within the Ministry of Economic Affairs.



working groups dealing with the various phases or areas of agricultural production such as food crops, water resources, forestry, livestock and fisheries. Members of the groups, ranging around 100, include representatives of the Provincial Department of Agriculture and Forestry, the Provincial Farmers' Association, JCRR Commissioners and Division Chiefs, College Professors, U.S. aid officials and officials from concerned GRC ministries.

The four-year plan is shaped through the work of these groups with the across-the-board support of JCRR's Office of Planning. The plan flows from aggregate projections of agricultural growth and concomitant development objectives and production goals. These goals and projections are in the first instance based on historical production patterns and yields as modified by several factors: e.g. expected changes in response to projected market demands; new production practices, varieties and other physical inputs which have been developed by research institutions, tested by experiment stations and extended through demonstration.

The present Chief of JCRR's Office of Planning points out that in formulating and implementing the four-year plans "linear operational coordination" among government agencies, agricultural enterprises and farmers' organizations at all levels is required.<sup>31</sup> Indeed, the eight working groups collaborate closely with descending levels of planning committees down to the villages. Meetings are held step-by-step down the line and production figures are often revised or adjusted. This characteristic "top down-bottom up" participation insures that the Plan will approximate production potentials, that proven production innovations will be disseminated to producers and that the means for production, including physical inputs, credit and other farm services, will be available when needed.

Agricultural planning in Taiwan clearly is not unduly centralized. Detailed uniform planning of targets and fiat imposition of elaborate controls to monitor and enforce the plan from the center are alien to the process. Ample leeway is given to primary producers and their local organizations to cope with and manipulate their different micro-environments. Within a broad sector framework of development, production decisions are essentially localized. For example, the over-all plan provides for regional plans for areas with different production conditions. Further, the actual field-of-activity projects tributary to the plan are largely developed at village, township and provincial levels, in many cases by

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<sup>31</sup>W. M. Ho, "Planning and Programming For Agricultural Development in Taiwan," Taipei (June, 1965), Mimeo, 22.

the planning committees responsible for coordinating and/or carrying out the projects.

JCRR personnel are deeply involved in this agricultural planning process. The style and structure of the planning are, for the most part, their creation.<sup>32</sup> However, the Commissioners and their senior staff participate in the process as experts, not as JCRR officials. This is not to minimize their influence but rather reflects the fact that the national Four Year Agricultural Plan and the JCRR Program are not the same. The latter is developed within the framework of the former. JCRR's role is that of the problem solver, providing its services where circumstances dictate, whether it may be the expertise to work out the planning structure itself, or the capacity to broker out conflicting interests between producer organizations and public agencies, etc.

The Commission's role in agriculture planning, and concomitantly its intimate involvement in policy formulation and execution for the entire agricultural sector, again distinguishes it from its lineally related institution in Latin America, the Servicio.<sup>33</sup> The typical Servicio performed little if any planning functions. Rather, it concentrated on the initiation and operation of an array of individual projects, perhaps related to broader host government development priorities.

Farmers' Associations. An excellent example of JCRR's role in the rural development of Taiwan has been its support of the Farmers' Associations (FAs). The Commission recognized that to honor its charter of development with justice there had to be institutional means by which genuine and voluntary participation and self-help would become part of the warp of rural life. The FAs established by the Japanese in the early years of the century were the principal means chosen by JCRR for this purpose.

The condition of rural and farm organization in Taiwan in the post-war period was one of disarray, fragmentation and undue control by nonfarmer interests, mainly landlord and commercial. The FAs had in effect gone through a previous metabolism of growth and deterioration: a growth and consolidation under Japanese rule purposely wrought to secure

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<sup>32</sup>Y. S. Tsiang, "The Joint Commission on Rural Reconstruction," (June, 1964) Taipei, Mimeo, 11.

<sup>33</sup>See JCRR General Report - 1, 2.

control of the countryside by the colonial government: a serious deterioration in the strife-torn late war and post-war periods during which controls largely passed to non-farmer elements.<sup>34</sup>

The FAs were an integral part of Japan's authoritarian politico-economic structure on Taiwan, which though imperiously molded and used to serve Japan's own interests and policies, was less oppressive and more productive than its colonial counterpart in Korea. The Japanese prescribed detailed regulations for the organization and operations of the FAs. Membership responsibilities were strictly enforced. Recruitment and the collection of fees were compulsory. Management positions were appointive with the high majority being held by Japanese. Taiwanese purposely were not trained for such positions. The departure of the Japanese from Taiwan at the end of the war left a serious void in leadership at the top level of the FAs.

In 1952, after a period of piecemeal and confused attempts at reform and revitalization, JCRR precipitated a government-sponsored program to reorganize - streamline and democratize the FAs, as well as agricultural cooperatives, into a single federated system of multi-purpose, farmer-member controlled associations. In 1953, the GRC approved a new Farmers Association law incorporating the basic features of reorganization recommended by JCRR. These recommendations were derived from the Report, Farmers' Associations in Taiwan written by W. A. Anderson,<sup>35</sup> a rural sociologist from Cornell, who was a consultant on JCRR rolls during this period.

Briefly, the new law instituted elections by secret ballot, redefined membership so as to insure farmer control of the FAs and prescribed a host of organizational reforms, particularly designed to rationalize management functions as against policy formulation and control functions in the FA system and to revitalize the role of the village agricultural unit in the township FA.<sup>36</sup>

Today there is a network of FAs composed of provincial (1), county/city (22), township (341), village agricultural unit (4,872) and members - one per farm household (830,425). Farm households in the villages group together in small agricultural

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<sup>34</sup>See M. F. Kwoh, Farmers' Associations and Their Contributions Toward Agricultural and Rural Development in Taiwan, (2nd ed.; Taipei: FAO, August, 1966), 4-8.

<sup>35</sup>(Taipei, December, 1950), Mimeo.

<sup>36</sup>See Anderson, ibid., 63-70.

units. There are, on the average, 14 such units in a township, 174 members in each unit, and 2,435 members in each township association. These village units, which with few exceptions, are lively elements of the local FA, elect representatives to the association and provide the last and decisive link in the network down to the primary producer.<sup>37</sup>

The FA system provides a single structural pattern through which agriculture and rural life in general can be improved. In effect, the system is the institutional transmission belt designed to catch up the farmer in the development process by transmitting downward services, incentives and innovations and conveying upward felt needs and problems.

The effectiveness of the FA system depends upon its capacity to provide an integrated package of services to the farmers at the right time and place. This capacity centers at the local level of the township FA. The network itself is a rather loose federation with operating powers largely dispersed to the township units and control/supervisory powers distributed up the line.

The organization and operations of the township FA have been retailored specifically to furnish this package of services to the member farmers efficiently: that is, to furnish on a timely basis economic services such as the purchase of production inputs and the processing, warehousing and marketing of produce; financial services such as production loans and savings deposit facilities; and extension services of a wide variety.

The role played by the Joint Commission in the resurgence of the FAs involved considerably more than planning and backstopping their reorganization. To select from numerous examples - JCRR pushed and supported a major training program of FA management personnel after it became clear, soon after the reorganization, that due to their lack of experience, ill-prepared managers and section chiefs were rendering many of the FAs ineffective. The Commission also supported a badly needed program of renovation and construction of FA storage and processing facilities. And most important, JCRR technicians stimulated extension programs at the grass roots by pioneering myriad extension activities in the township FAs and by training and working with the FA agents so that they became the principal conveyors of technical know-how to the farmers.

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<sup>37</sup>M. H. Kwok, "Brief Statement of Farmers' Association in Taiwan," (Taipei, April, 1966), 1.

Agricultural Research. There are over thirty organizations in Taiwan devoted to agricultural research and experimentation, the majority of which are field operations, such as the seven District Agricultural Improvement Stations of the PDAF, specializing in adaptive research. JCRR has consistently given priority to the work of these organizations, seeking primarily to generate problem-solving research reflecting the changing needs of the farmer. The aim has been to develop a research network with the capacity to provide the continuing flow of technical knowledge and innovations required to increase and diversify production for domestic consumption and export and to increase the income of the rural population.

Close attention has been given by the Commission staff to the type of research activities supported in order to assure that they are relevant to the indigenous character of Taiwan agriculture, that is, to a pattern of small farm agriculture whose resources favor land and capital-saving and labor-using farm enterprises. In recent years, the Commission's interests have gradually turned more to basic and longer-term research since the rapid modernization and diversification of the province's agriculture are creating a specie of problems largely removed from the production conditions and technical options of the prior decade.

The "mushroom story" is a striking illustration of the innovative role JCRR has played in the field of research: Early in the 1950s, JCRR's technical staff began to work on the possibilities of introducing artificial mushroom cultivation to Taiwan. Temperature conditions were excellent for mushroom growing and most of the needed materials such as spawn, fertilizers and bamboo were locally available in abundant quantity at little cost. Given that mushrooms could be grown in vacant rooms of farmers' homes or in bamboo sheds, their cultivation as a side-line cash crop appeared to be a natural. However there was a major problem to be solved: the lack of local supply of the conventional ingredient horse manure.

In 1954, JCRR financed - in the amount of \$594.00 equivalent - and assisted the Taiwan Agricultural Research Institute in a project for the testing of various, locally available substitutes for horse manure. "Many were skeptical of the Commission's decision to spend time, effort and funds on such an insignificant activity. It was referred to as another piecemeal project of JCRR."<sup>38</sup> In

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<sup>38</sup>Tsiang, op. cit., 12.

spite of this characteristic criticism, the end-product of this project was a synthetic compost of chemical fertilizers and rice stock, or alternatively wheat or citronella grass stocks, within which mushroom culture flourished. The mushroom industry soon developed out of this pilot project.

FA extension agents were trained in mushroom culture at the District Improvement Stations. The agents in turn disseminated the new technology to interested farmers in 20-member discussion groups and through demonstration plots and field days. The production planning and marketing for the new industry initially were tested on a small scale. Problems of effective quality control for growing and processing were systematically dealt with, and a multitude of other problems and elements of the industry worked out. From nothing in the 1950s mushrooms developed into a major Taiwan industry in the 1960s. By 1963, an approximate 50,000 farmers were growing mushrooms with another 25,000 people involved in the processing and commercial ends. In 1963, export earnings from canned mushrooms were \$16 million; in 1966, they had jumped to \$25 million. The Commission is indeed proud of the story which was opened by one of its inconspicuous and small "innovative-type projects."

Political Development. JCRR has been a most effective institutional medium for the utilization of U.S. aid as a catalyst for expanded involvement of local agents and decision-makers in the development process.<sup>39</sup> Perhaps the most lasting and significant element of JCRR's contribution to Taiwan has been its role of furthering the spread of economic pluralism on the land, of progressively involving larger numbers of the farming population in the throes of modernization. However, the economic factor is but one variable in the process of change and development. Political and social factors are also causal to and derivative from the character of development.

There is one aspect of the complex process of development in the Taiwan setting which deserves attention: the politico-social effects of rural change and the role of JCRR.

The proposition can be persuasively argued that the goals of Dr. Yen's program strategy developing the whole man

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<sup>39</sup>See Ness, op. cit., p. 9-11.

and the whole community through intimately related social, economic and political activities are being realized but through the use of more piecemeal economic programs and production-oriented tactics, qualified by the interplay of a broad standard of social justice. For it is evident that the economic growth being achieved is producing, or helping to produce, wholesome, spin-off effects of a political and social development character in many rural communities of Taiwan.

These effects can be partially seen through the Farmers' Associations. The increasing affluence of many of the FAs has permitted them to finance and otherwise support a variety of township community development projects such as schoolroom construction, scholarship funds for the poor and road and bridge renovation. In several FAs, this type of community activity is now a regular part of the budget. Further, the FAs have become the administrative and political training grounds for the growing number of local leaders being produced chiefly from the ranks of the more prosperous and respected farmers. In this regard, the FA Board of Directors is gradually becoming younger and better educated in composition. Similarly, the more vigorous discussion groups in the village units have evolved into good forums for civic participation - for the voicing of dissent and the building of consensus, on local issues. There is little doubt that the FA has become an increasingly active and effective focal point for the representation and articulation of farmers' interests.

Also, the FAs reflect the improved state of political relations between the national government and the rural population which has evolved over the years, certainly in part as the result of the latter's relative prosperity and their participation in the island's economy.

JCRR clearly supports the growth of a responsible rural citizenry which has the capacity for democratic participation in public affairs. It will point with satisfaction in this respect to the very considerable contribution the FA system is making with its procedures of popular representation and secret elections. For example, a Commission officer has pointed out that "although they are organized primarily for social and economic development in rural areas, the farmers' associations offer the best opportunity for training local leaders in parliamentary procedures and in self-help activities.... (In 1964) five of the sixteen magistrates, one of the five majors, eleven of the seventy-four members of the

Provincial Assembly, over forty percent of the township office heads, and thirty percent of the members of the county and city assemblies were former elected officers of the farmers' associations."<sup>40</sup>

However, JCRR traditionally has been opposed to FA involvement, as an institution, in local and provincial politics, to the FA being used as a source of strength by local factions to increase their power and further the political ambitions of their leaders. The Chinese Government's antipathy to the FA getting pulled into politics is considerably stronger. Notwithstanding this opposition, the growth in economic power, influence and popularity of the FAs and their open democratic structure, have led to a pattern of involvement of this kind. This pattern is reflected in the common occurrence of FA officials concurrently holding elective office in legislative bodies. At the present time, over 800 FA officials - principally Board of Director members and General Managers - are also representatives in the Provincial, County and Township Assemblies. Five Speakers and six Vice-Speakers of County Assemblies are FA officials. The General Manager and three members of the Board of Directors, including the Chairman, of the Provincial Farmers' Association are Provincial Assemblymen. One of the Directors is Chairman of the Agricultural Committee of the Provincial Assembly.

It is clear that the FA is being used as a stepping stone and a source of popular support by local political leaders, and that it is more or less involved in the politics of its constituency. In a few cases, there are "FA factions" on Township Councils. It is the fear of some JCRR officials that since the local FA likely will be financially stronger than the township government, political involvement will lead to the "diversion" of FA resources to "pork barrel" activities alien to its charter responsibilities.

It should be stressed that the rural politics of Taiwan, particularly as focused on local issues, has evolved for the most part along democratic lines. The image of a totalitarian Kuomintang enforcing its organization and will upon the countryside is largely a fiction, perhaps a useful one for the KMT's detractors but nonetheless a distortion of reality. There is indeed ample room for maneuver and contest. The KMT's role is essentially that of a broker between local factions, seeking to preserve power balances and reasonable harmony on the rural political

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<sup>40</sup>Kwoh, op. cit., 74.



scene. It is not uncommon to have two local KMT members running for the same position. This reflects the fact that the indigenous factions, which derive in part from traditional regional differences and in part from past landlord families and their supporters, generally are the basic political unit on the land rather than the party or the national government.

To arrest the trend of FA political involvement, the Provincial Government issued a regulation an approximate two years ago directing that General Managers and Staff could no longer hold elective office concurrently with their FA positions. This regulation, which will be activated at the time of elections next year, will affect some 70 FA officials who will have to make a choice if the edict is enforced.

There is room for honest difference as to the merit and need for this regulation. (This writer's view is that it is ill-advised in that it seeks to divorce the limited political expression of rural economic power from its most healthy and responsible institutional source as well as restricting, or making more difficult, the role of the younger modernizers in the development of the province.) However, the point here is that this regulation is but one reflection of a significant institutional political development in Taiwan. The FAs today are a far cry from their authoritarian antecedents.

Last, political and social change in rural Taiwan is directly relevant to Congress' instruction to AID in Title IX of the 1966 FAA to promote democratically-based development. For surely U.S. aid through the JCRR contributed to the development of local leaders, energized rural attitudes and capabilities in some part removed from the gravity of power of a politically static central government and kindled a genuine democratic experience.

The political and social effects of U.S. assistance on the rural development of Taiwan warrant more intensive study, specifically with an eye to their Title IX implications. These effects, on their face, lend credence to the feasibility of addressing Title IX objectives within the framework of our country program strategies and through Chapter 7 and related economic assistance initiatives. They also suggest the need of a more systematic sorting out, and relating, of the economic and political variables of development - for example, the mix of variables which bear upon aid-induced strategies of popular participation.

#### 4. The U.S. Contribution

Identifying a distinctive U.S. contribution to the success of the JCRR is at best an approximate exercise given the joint structure of the Commission within which decisions and actions were collective rather than discrete.

Chairman T. H. Shen recently ventured the opinion that the true value of the U.S. contribution was "80% technical and 20% financial." This "opinion" highlights the effectiveness of our technical assistance. However, institutional features such as jointness and the sponsoring agency approach only partially explain this effectiveness. Of equal importance has been the Chinese willingness, indeed their strategy, to provide a spacious field for the penetration of U.S. expertise so as to seed the beds of innovation and adaptation. The contributions of the late Dr. H. H. Love of Cornell University in the development of a rice seed multiplication system, which set the foundation for the great increases in rice production, of Paul Zehngraff, the AID Forester to whom a monument was erected in Taiwan for his work in reforestation, and of Dr. Anderson in the reorganization of the Farmers' Associations, to mention a few examples, provide striking evidence of the success of this strategy.

There is another aspect of the U.S. contribution which the Chinese depict by using figuratively the terms "microscope" and "telescope." The terms are used to convey the thought that the Chinese members of JCRR used the microscope of a detailed and intimate knowledge of the rural scene to assess the difficult indigenous problems and to support responsive, hard-hitting projects, while the Americans used the telescope of a broader Western Experience in modern agriculture to contribute fresh insights to program content and critically exposed it to a more objective and longer-run perspective. Given that the Americans came and went every two to four years, with few exceptions, while the Chinese stayed on more or less permanently, this analogy is a telling one. It is certainly apt for the American Commissioners who were involved primarily in matters of program policy and direction. For example, the broad-based movement of the JCRR program in the early 1960s to support more vigorously the development of domestic agricultural products for export markets was in some significant measure the result of the efforts of the present American Commissioner, Gerald Huffman.

Another feature of the U.S. contribution is the advantage JCRR reaped from the American presence over and above the

program and technical competence it provided. The Chinese staff generally was able to resist pressures from a variety of outside sources to support low-priority or ill-conceived projects by alleging or pointing to internal American opposition.<sup>41</sup> It is fair to say that the U.S. presence played an important part in keeping JCRR free from narrow and partisan interests and in maintaining the integrity of its principles and goals.

U.S. assistance, overwhelmingly aid-generated local currencies, has financed all of JCRR's operations from its inception. This financing, very liberal in amount and largely unencumbered of governmental controls, looms large in the background of JCRR's success and the rural development of Taiwan. Hsieh and Lee point out that "JCRR's FY 1961 allocations contributing to agricultural capital formation are about three times as large as the total amount of funds put up for this purpose by the government at all levels including provincial, prefecture/city and township governments, or a little over 50% more than the total investment made by all agricultural public enterprises, ... or about 25% more than funds provided by all farmers' organizations... Of the total expenditure for various agricultural improvement projects, JCRR's were NT\$ 111,137 thousands or about 43% of the total expenditure..."<sup>42</sup> FY 1961 was reasonably typical in the above regard, though the figures have fluctuated somewhat from year to year, and since the middle 1960s the JCRR percentage contribution to agricultural capital formation and improvement projects presumably has been falling off.

The question of whether the U.S. contribution was more technical than capital, or vice-versa, likely is unanswerable because the two were so bound up together in practice - one facilitated the other. The important point is the composite contribution. Through a happy combination of circumstances - a Defense Support program which generated ample local currencies, a Chinese will and capacity to use American expertise, and an organizational structure tailored to fuse and activate money and talent on both sides - U.S. assistance was able to make an overall contribution which was broad and diversified in its dimensions and strikingly fruitful in its results.

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<sup>41</sup>This tactic also exploited the other way by American staff with regard to projects emanating from external U.S. sources.

<sup>42</sup>Op. cit., 67-68.