Institutional Innovation for Just Development: A Cross-Strait Comparison on Alternative Community Development of the Ethnic Minorities

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Introduction

Both Taiwan and Mainland China have experienced rapid economic growth in the past decades. One essential issue in this course of such transition is the disparity in distributing the fruit of growth. The nature of global capitalism is regressive: the rich tends to be wealthier because of the increasing return of capital. While some new riches might emerge and the general living conditions might be improved, the general tendency is that the wealth goes up to the elites while the bad consequences, such as pollution and crimes, goes downwards to the already disadvantaged groups.

Since the market fails to address the issue of spreading misfortune and increasing disparity as a result of expanding global capitalism, the government is expected to assume the responsibility to control these negative consequences. In most countries, however, the governments have suffered from financial stress because of the increasing demands on social welfare expenditures resulted from the uncertainty of industrialization as well as from the aging population. It means that the governments could have very limited capacity, financially as well as labor-wise, in

managing the tasks they confront. A joint effort with non-governmental sector, such as the business sector or the Non-profit one, is therefore needed.

Many models of collaborative governance on poverty-alleviation has been developed across the Taiwan Strait. In Taiwan, governments have yielded the dominance to civil society and allowed the civil groups to play a major role in developing community economic. In contrast, the government usually allied with the capitalists in promoting community economic growth. The logic behind respective choice and possible consequences are something interesting to know.

Tourism as a Route of Modernization

Ethnic minorities are interface between human society and the nature. In their long struggles for survival, they tend to develop an ecologically-balanced mode of living, with social institutions that govern the resources in a sustainable manner. These traditions, however, have confronted the challenges of modernization and globalization. They can no longer remain isolated from outside world but need to find a way to survive the surging impacts of new ideas, values, and technologies. When the world get integrated by highways and internet, ideally these minorities face the choices of defending Shangri-La from the intrusion of the external world, or of merging into it yet somehow stay in a disadvantageous, marginalized position. In reality, however, these minorities usually did not have a chance to make such essential decisions. With very limited exceptions, they did not have self-consciousness in trying to control their own fate. Nor do their leaders have the knowledge, vision, or ability in making such important decisions for their collective future. They tended to surrender themselves to the exploration of external forces in the course of modernization, facing fundamental issues of confounding value system,

poverty, and deterioration of social justice.

To manage the worldwide misfortune of ethnic minorities in their courses of modernization, scholars as well as practitioners have found that eco-ethno-tourism is an effective solution. Since these minorities usually live in ecological sensitive areas, their economic activities were seriously constrained to avoid associated social costs. Such land use restrictions for water conservation and bio-diversity, or disaster prevention are usually imposed on them without their consent. Long distance from major markets has also prevented them from making a living by growing cash crops or running tourist business. Unless there are alternative sources of income, such as mining businesses nearby, poverty seems inevitable.

The rise of ecotourism or ethno-tourism in recent years shed a light on possible alleviation of poverty. Tourism in the past decades has experienced substantial changes. More tourists would like to pursue intellectual satisfaction or self-actualization instead of pure sensuous excitement in the activities. This change creates a market for such non-exhaustible products as culture, scenery, and knowledge. Ethnic minorities locating in mountainous areas usually possess intact cultural heritages, rich ecology, or amazing landscape. As these valuable assets start to attract tourists, they got the chance to improve their depressed conditions in trying to integrate into the greater society. In preparing for such markets, local communities are actually forced to find balance between preserving heritages versus adopting into external world, conserving the ecology for collective interests versus encouraging profit-maximizing economic activities to assure individual participation.

While the chance looks promising, the challenge is daunting too. In promoting ecotourism, ethno-tourism, or both (hereafter eco-ethno-tourism), there is a

prisoner's dilemma to overcome. Since the touring attraction is usually an overall presentation of the community and its neighborhood, it requires coordination among individuals. For example, tourists expect to see a harmonious, picturesque scene of minority village. If one individual household builds a luxury, European-styled mansion in the traditional housing, the overall beauty of the village would be ruined. For another example, tourists would be curious about such unique custom as practice of monogamous marriage when they visit Mosou's homeland, Lugu Lake, in China. Nevertheless, maintaining such tradition has been burdensome for tribal folks once the society is open to the wider world and the young persons could have more choices from non-tribal youngsters. When more and more folks choose to marry non-tribal lovers and follow alien rituals, the custom would disappear soon.

To solve such collective action problems, it is usually the government that should carry out this duty. Nevertheless, with the default condition of underdevelopment, local governments tend to fail because of the deficiency in financial resources. The poverty of the citizens will lead to shortage of tax income for the government. The financial ability, however, is especially important because it less legitimate for the government to impose regulatory constraints, without proper compensation, on the economic activities of the poor individuals who are still suffering from survival struggles. The compensation demands for financial resources that most local governments fail to have. In other words, solving the problem of local governmental ability is usually the key to pursue just development in the course of modernization.

Recent years have witnessed a tendency of incorporating multiple sectors to enhance local governing capacity. One popular approach is the Managerialism, in which business sector is invited to offer public services when there is a room for

profitmaking. The deficiency of capital can be managed by market means if there are interested investors. By contracting-out or privatization, the financial burdens of the public sector can be largely downloaded. Alternatively, more cases have been well documented to indicate a possibility of rebuilding local traditions to manage collective actions among grassroots actors. Traditions that tailored into local configurations tend to be quite effective in coordinating collective efforts. While modernization or other changes in external conditions might terminate some long enduring practices, some conscious efforts to integrate them into modern institutions might be very frugal but effective ways to pursue governing purposes.

Given those and other possible solution, the discussion on the reasons for choosing any of them, the conditions for success, and the problems encountered, are still very limited. By examining the practices of Red Yao in Longchi (Gungxi Province of Mainland China) and Atayal in Smongus (Shingchu County of Taiwan), this paper demonstrates how adoptive institutions have evolved from specific historical as well as political context. This paper also compares the promising and challenges of each approach, one bottom-up and one top-down. The comparison contributes to some theoretical implication on the initiation of institutional innovation and conditions for the institutional reforms to consolidate.

Government Inc. in Red Yao, Dazhai

Many minority tribal villages scatter in mountainous areas of southern and southeastern China. Among them, some Red Yao settled in Longsheng County nearby Gualin (桂林) international airport. Being late comers, they could only settle in inferior mountainous territories, where the slopes are steeper, sunshine less,

and thus agricultural activities more difficult. For unknown reasons, folks in this area learnt and relied on growing rice in the terrace fields for a living. Just like the famous terrace fields in Yuanyang (Yunnan Province) maintained by Hani people, the light and cloud of the terrace fields constitute magnificent scenery that has attracted many tourists (mainly photographers and backpackers) from different corners of the world. Unlike Hani's case, however, the terrain has been much harsher for agriculture; the folks need to engage more labor to maintain the field; the productivity is lower; and thus economic condition has been less desirable before the prevalence of tourism.

The Spirit of Collectivity in Eco-agriculture Traditions

The key factor to uphold rice terraces is stable supply of water. Like Hani and many other tribes who maintain paddy fields on the slopes, there has been a set of institutions and strong solidary pressure to govern the water effectively. The first task is to secure the supply of water. The sources of water were mainly the catchment in the forest locating on the top of mountain. Preserving the forest was therefore a life-and-death business and activities in this secret forest were strictly constrained. There were many rituals to keep the secrecy of this place and taboos to prevent it from infringement. Under the forest there were settlements of villagers who could receive clean water flowing downward to the houses if canals can be constructed. Since building a water supply system demands for tremendous costs that could not be afforded by individuals, it could be achieved through voluntary cooperation among villagers or through commands from hierarchical governing structures such as tribal chiefs or formal governments. Since these

aboriginal villages were secluded in the mountainous areas and very difficult to be reached by public authority, the villagers need to maintain high spirit of collectivity to survive.

The spirit of collectivity would be further enhanced by the irrigation and farming activities. The waste water of households would keep flowing into the terrace field below the village. The branched canals draining water into the fields required collaborative efforts among users. The fields would be infused layer by layer downward. Some precious property in water, such as fertilizer[1] and creatures for protein supplement (fish fry, frog, and snail eggs) would be hard to retain and thus were forced to share with neighbors. Villagers shared the labor in maintaining the facilities too. Since the damages of canals or the earth embankment of upper terrace would have a chain consequences on many property owners of lower altitude, villagers would fix the cracks timely to prevent possible crash, no matter whose property it was.

To maintain the spirit of collectivity, the community needs to develop a set of sophisticate institutions to prevent and solve disputes among members. One most oft-seen dispute in agricultural society is the distribution of water that affects the harvest and thus income of farmers. There should be enough water in general.[2] Nevertheless, the water could be in short after heavy rain because the storage facility in the forest might be washed away. To share limited water, the villagers would put a leveling board with notches in the canal so that water would be divided into equal shares among owners of the fields. If there were still disputes, contending parties

[1] Before chemical fertilizer was widely used, the villagers would burn special weeds (as pesticide), mix the ash into collected feces of animals and human being, and flush the fertile water into the fields. The fertilizer would of course flow down to fields of other farmers.

[2] There was a rule specifying that new terrace field could not be built without careful evaluation of the water supply.

would avoid the long-term impacts by settling the disputes in front of prestigious elders (頭人、寨佬) according to the folk rules carved on the tablets or wooden board erecting in front of the main entrance of the village.

Diminishing Spirit of Collectivity in Modern Economy

Such self-governance system was penetrated by strong communist regime after 1949. Such drastic policy of people's commune that converted the property right regime to collective ownership did not affect the community too much. The spirit of collectivity seemed to mitigate the free-riding problems of the communes popular in other places. The real challenges emerged as the fields re-privatized after 1982 and the open policy of the communist regime. Villagers regained control over several pieces of land, and this privatization encouraged penny-pinching attitude on self-interests associated with private ownership of their property. In distributing the property, the village first divided the property into three sorts of different qualities: field with mild slope, sunshine and water; field with water but with less sunshine or steeper slope; and field without water. The land in each category will be equally distributed to every member of the village by lots-drawing. The consequence was that villagers would get a piece of land very far from home, and thus intended to exchange with other villagers. They took a long while to manage the hassles and complaints in land distribution business and encountered the wave of tourism that further impair the spirit of collectivity.

As more tourists found their ways to access to the beauty of the village, the most convenient way to earn cash was to peddle handmade souvenirs. Since villagers all have very similar skills, they provided very roughly the same products

and thus spelled fierce competition among each other.[3] Competition prevailed in the back-carrying business in the parking lot. Since many photographers would called for help in carrying heavy equipment to the lodging facility for them, local women with traditional costumes and a basket on their back would rush to solicit their services before the doors of car or bus door was actually open. Again, competition and discount would ensue in slack season and quarrels among villagers would be predictable. So were the tour-guide and shooting model businesses.

The business with the highest stake would probably be the lodging and dining services. There were about ten farmhouses (農家樂) in village, each with restaurant on the first floor and lodging facility on the second. Since the demand was usually higher than the supply in the peak season, there seemed to have more room for more farmhouses. Nevertheless, more competitors implied less income in the off-season. The elites who already in this business thus needed to compete with each other but in the meantime they also needed to ally to keep new comers out of the market. One natural obstacle was the capital. It required about 400,000 RMB to build a farmhouse with 20 guest rooms. Although ordinary farmers could borrow money from the bank, yet the approval of the loan needed endorsement from the village cadres who was already in the business and thus had conflict in interests.

All above modern economic actives would impose enormous threats to the spirit of collectivity that had embedded in their traditions. Without such spirit of collectivity, farmers would be less willing to fix the cracking embankments of canals and terrace fields as they saw. More importantly, as tourists rushed into the village

[3] In the field trip, two old female peddlers involve in a ferocious altercation when they both tried to sell us the same tin bracelet. They eventually engaged in a physical fighting of really surprising scale, indicating how they valued the petty income.

and thus related service businesses attracted limited labors from rice fields, the integrity of the splendid scenery would be hard to maintain. The abandoned field would be full of weeds rather than water that function like mirror as neighbor fields. Without farmers patrolling in the fields to check and amend the cracks timely, the terrace fields tend to collapse in a much bigger scale. Once a certain percentage of the fields failed to retain water to constitute a harmonious picture, the photographers would feel disappointed and reject to visit this place again. In other words, the collective interests have been threatened by the free-riding problem of individual farmers.

Managerialism in Chinese Style

Facing such typical market failure problem, the government is supposed to assume the responsibility to either provide the collective goods directly, or to set up rules to prevent possible free-riding behaviors. Nevertheless, the local government in rural place suffered from a special problem of financial deficiency. A central policy specified that most taxes of farmer citizens were largely waived. Without basic financial capacity, local governments were largely handicapped in pursuing any ambitious goals. Very soon Chinese leaders in central and local found that the Managerialism was very a useful solution. Prevailing in western countries to cope with the financial burdens associated with increasing social welfare caused by aging baby-boom generation, Managerialism emphasizes the involvement of private sector in public governance to supplement the deficiency of public sector. Many governing tasks with great profitable margin could actually re-introduce “market” mechanism through privatization and contracting-out to attract investments from enterprises.

Following the same guideline, Chinese local governments have adopted much more radical measures in different localities. In Chinese versions, a governing entity can be a mix both government and enterprise. A common practice is that a company is set up and is authorized to carry out special governing task. To control the company, different level of local governments would invest in and control a major share of the company. To carry out its mission, the company would be entitled to place a mortgage on public land, to charge user's fees on the beneficiary, and to set up rules as a government does. Such vague distinction between public and private entity is unimaginable from western perspective. First, it violates the principle of procedure justice in governance. If any company intends to run any governing business involving public resources, charter privilege, or application of public authority, it must go through a fare bidding procedure open to all qualified candidates. Second, there should be a set of check-and-balance mechanisms to hold the governing system accountable and responsive. Since China is not a democratic system, these basic principles of democracy can be overlooked.

The practice in Longchi was that a company actually carries out the responsibility of promoting economic development for that locality. The company, Longji Tourism Company (桂林龍脊旅遊有限責任公司), was invested by three main shareholders, Guilin City government, Longsheng County government, and a Beijing-based private investor. The company was entitled to sell entrance tickets as major revenue,[4] while It was responsible for providing such public goods as tourism marketing (mainly providing information on the internet and holding festivals) and maintaining public infrastructure (external transportation, trails in the village), including fixing the damaged terrace fields and canals.

[4] It was 80 RMB per person when the field study was done and is 100 RMB now.

The challenging issue was to overcome the free-riding problem. Since tourism businesses were much more lucrative than farming, it was hard to ask the villagers to stay in the fields. If a portion of farmers gave up their fields, the overall view of be ruined. One institutional solution was putting aside a portion of ticket income to encourage households to maintain their field. If a household could keep the rice field in operation by all means,[5] it would receive a share of bonus from ticket income. [6] Nevertheless, a bonus of a couple thousands per year did not provide strong enough incentive for the villagers to get back to the field at the costs of their tourism businesses. Therefore, the company still needed to hire workers to patrol in the field and contract constructors to fix the collapsed fields and canal periodically. Such arrangements was quite successful in preserving the collective good, the magnificent view of terrace fields" for the development of tourism.

Community Inc. in Atayal, Smongus

Similar economic stalemate has long harassed the aboriginal folks of Atayal in Smongus, a mountainous village in Hsinchu County of Taiwan. The Atayal tribal people were famous for their bravery and agility partly because of their head-hunting tradition until early twenty century. Since they relied on open space for both millet fields and hunting grounds, which might be surrounded by hostile subgroups of Atayal and non-Atayal tribal groups, they had to manage effectively both internal collective-action problems as well as external threats (McGovern, 1922, p. 111).

[5] The villagers could hire folks from places without tourism. The cost would be 68 RMB per day with lodging and meals.

[6] Seven percent of the ticket income would be distributed to the villagers as bonus.

The Spirit of Collectivity in Hunting Society

The tribal members were organized in cohesive groups so that they could share the chores of patrolling during peacetime and deploying coordinated strategies during hunting and wartime. They relied on a shared belief system as well as familial relations as the foundation for solidarity, called "*Gaga*" in the native language. In a *Gaga*, a communal spirit was held by a group of cognate folks who shared the same sacrificial rituals and ancestral lessons, operated as a functional social unit, and most importantly, were dedicated to sharing the same fate on personal safety as well as available resources. A concrete format of a *Gaga* was a tribal community (*Qalang* in native language), of about a hundred people, headed by an elected elder from the core families (Wong, 1986, p. 573).

An integral part of a Gaga is the ancestral belief system. The Atayal belief system was a mixture of Animism and Ancestralism. The Atayal people believed that everything was governed by a specific kind of demon that should be respected. Yet also influential on their fate are the spirits of their dead ancestors. While their concepts about the supernatural world are somewhat similar to those of the Tao's, the Atayal placed more emphasis on the good spirits, or what they called "Utux" in the native language, than on the evil spirits. For the Atayal people, troubles caused by the evil spirits could be solved by witchcraft, while blessings by ancestral spirits reached out to the entire community. If they followed faithfully the teaching and advice passed from their ancestors, they would not only be guarded by the Utux, but would be able to live with their ancestors in paradise in their afterlife.

Gaga and Utux were two mutually supportive pillars of Atayal communal solidarity, which contributed to the Atayal's reputation as an unconquerable

aboriginal tribe (Tien, 2001, p. 252). Even under the Japanese colonial regime, many Atayal communities still guarded the forests (their hunting grounds) rigorously and successfully deterred commercial loggers from entering them. Nevertheless, the Atayal people did confront the same modernization challenges experienced by other aboriginal tribes. Christianity, together with the intrusion of other modern economic activities and government actions, changed their lives drastically. In the early twentieth century, Christianity was introduced to the Atayal people by a Japanese missionary (Tien, 2001, p. 95). As more and more tribal members were converted to either Catholicism or Presbyterianism, not surprisingly, ancestral rules were gradually replaced by God's rules. Utux could no longer effectively regulate tribal members' behaviors and activities; the communal Gaga spirit, a precious feature of the Atayal communities, gradually faded away (Wong, 1986, p. 575).

Challenges from Modernization

When entrance restrictions to the mountainous areas were lifted in the 1970s, many aboriginal people found themselves in very disadvantageous positions, because they did not have the necessary knowledge, skills, and resources to participate in complex economic exchanges in the modern market economy. They were also subject to increasing numbers of government regulations that sought to prevent mudslides and to conserve water resources by limiting Atayal rights to use the forests. When the government released the alienable rights of the reserved lands back to the aborigines, many of them chose to sell their shares illegally to big financial conglomerates for cash, and these big conglomerates tended to proceed with development projects that further endangered the primitive forests (Allis-Nokan

and Yu, 2002, p. 177).[7] In other cases, the aborigines used their cultural heritage and the thick forests nearby as a commercial asset by developing ethno-tourism or eco-tourism. These initiatives helped lift many aborigines above poverty. Yet in some of these initiatives, motel villas and homestead facilities, both legal and illegal ones, mushroomed; water resources became depleted; and heavy tourist visits caused ecological damages in the primitive forests.

Against these trends, however, there is an exception, the Smangus tribal community. The community is located in the deep mountain of Hsin-Chu County (in northern central Taiwan), near a primitive forest of Taiwan red cedar. Smangus as a tribal village was first mentioned in Japanese documents about a hundred years ago. At that time, it had a population of around 110 people. The village did not have electricity supply until 1979, and there was no paved-road connecting it to the external world until 1995. Yet Christianity did reach the village by Presbyterian missionaries as early as 1948. All villagers subsequently converted to Christianity within the next 20 years, and they also had to struggle to fit into the modern economy. Many villagers moved to urban areas for better job opportunities,[8] while others stayed and tried to make a living by cultivating mushrooms for sale.

The rise of tourism provided a chance for the remaining villagers to escape from poverty. The villagers successfully packaged the nearby primitive forest as an attractive eco-tourism spot in the early 1990s. With paved roads available later, many nature lovers crowded the village and brought in essential incomes for the villagers. Tourists usually took a long trip to arrive at the village located at the

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[7] Interview with Yuraw in Smangus, July 31, 2004.

[8] Many served as construction workers during the economic boom.

outskirts of the forest. They would stay overnight at the village, and walk into the forest the next morning. After hiking and back-packing in the forest, the tourists would return to the village for lodging, dining, buying aboriginal art work, and transportation service.

Tensions, however, emerged among villagers shortly after tourists rushed into the village. Because tourism related incomes mostly went to those villagers with lodging facilities, unequal opportunities among about 150 villagers (26 households) triggered complaints. Intensified competition among lodging service providers was also detrimental to the original harmonious social relationships. More importantly, free market forces might actually destroy the scenic beauty that drew tourists to the area in the first place. Although the red cedar forest was famous for its pristine condition with a mystic aura, such a condition could easily be ruined by the mushrooming lodging facilities, many of which were illegal, ugly, and unsafe. Competition in attracting customers among facility owners also created an incentive for them to offer extra activities in the woods, which might further undermine its pristine condition.[9] To manage these emerging threats, the villagers developed a collective strategy.

Commune Economy as Alternative Development

The strategy was to revive some of their traditional practices. Based on their lingering memory of the communal spirit, Gaga, and the practical rules specified by their ancestors, Utux, the villagers developed a cooperative model called “Tnunan”

[9] For example, villagers might help visitors collect such bio-products as mushrooms, twigs, or small pieces of bark for souvenir.

(or Gungtong Jingying in Mandarin). The system integrates the traditional Gaga spirit with modern corporate concepts. In this system, the hardware includes the lodging facilities, the restaurant, and the convenience store, all of which are collectively owned by the participants, who share all the chores of running the business according to direction by the chief. In return, the participating households are paid in accordance with the shares they hold (rather than the actual work they do), in addition to a fixed amount of monthly allowance. Participants also enjoy a variety of social benefits such as health insurance, various subsidies (for weddings, education, funerals, etc.), and access to emergency loans (Horng and Lin, 2004).

Since the cooperative's establishment in 2001, visitors now can conveniently reserve rooms using the same telephone line, register at the same counter, and dine in the same restaurant. The income inequality among villagers has drastically decreased, and the negative impact of eco-tourism on the pristine environment has been greatly reduced. Its achievement can be compared with its two neighboring villages, Cinsbu and Smagus, which have also engaged in a similar type of ethno-eco-tourism at about the same time, except that the latter two tribal communities suffered much more serious mudslides than Smangus did during the typhoon seasons (Su, 2006).[10] Tourists visiting these free-market villages expressed their concerns with the on-going ecological deterioration in nearby woods.[11]

Behind the visible achievement, however, the cooperative has faced various challenges in sustaining collective action. Some villagers, for example, had invested heavily in building lodging facilities, and thus needed income to repay the debts they

[10] Interview with Massay in Smangus, August 1, 2004.

[11] Interview with two foreign backpackers, July 31, 2004.

carried. The community went through a lengthy negotiation process to develop a financial arrangement that satisfied all major concerns among participants. The Presbyterian Church appeared to have played an essential role in the negotiation process. One participant openly stated that he had made his commitment to the deal because of his faith in God. When the final agreement was reached, the leader said in the prayer that he apologized for all the past contentions and promised to forget all past feuds so that they could all engage in the cooperative business whole-heartedly and with God's blessing (Horng and Lin, 2004).

Another threat to the cooperative is potential shirking. In the Atayal tradition, ancestral admonition, Utux, was an effective check on temptations to shirk one's work obligation. To secure ancestral blessing, one must follow ancestral teaching that included working hard for the community and abiding by Gaga, the community spirit.[12] In modern Smangus, ancestral religion has been replaced by Christianity. Nevertheless, the Church regarded these ancestral tenets as moral principles that guided the secular practices of the tribal folks and therefore chose not to oppose them. Consequently, it appears that the Church has been a positive force promoting cooperative behaviors among members in the cooperative.

Conclusion: Possibility of Diverse economics

Two different models emerged as solutions for a core development problem, free-riding in collective action, while the choices of solution have essential implication on another core issue of development, distributional justice. Ironically,

[12] Interviews with Yuraw and Masay in Smangus, August 1, 2004.

the communist regime has adopted the most liberal approach that combined market mechanism with limited governmental intervention. From western perspective, the form of tourist company as a major governing entity seems creative in solving financial deficiency of local government. Merging the identity of public authority and private capital, however, is not unique in China. The government is everywhere. It hides behind a business or a non-profit organization if the task needs.

While such amoeba-like government meets the need of the regime in controlling the society, its performance deserves scrutiny. Overall, it can solve the problem of diminishing collective goods associated with free-riding problem by offering material incentives and providing the goods directly. Regarding the efficiency, however, the performance has been less desirable. The collapse of the field might be able to be prevented if more farmers could have stayed and patrolled in the field and amended the cracks in time. Once collapse actually happens, it takes ten time more costs to fix.

In terms of distributional justice, the government company would grasp the greatest share of tourist wealth by selling the tickets. Most elites in the village would also benefit more from the policy because of their ability to access to capital and network to run lodging and dining businesses. Much less wealth would trickle down to ordinary villagers who could only be toilet-cleaners in farmhouses or souvenir vendors on the street. As the competition of the market increases, the income disparity will also increase and social relation will deteriorate.

In contrast, the approach of commune economy in Smongus of Taiwan has demonstrated a more desirable alternative. The community revived the traditional values by infusing modern elements to set up institutions that can solve the

prisoner's dilemma without too much governmental intervention. The organizational principle of Christian church together with the shareholding concept of business operation have merged harmoniously merged to encourage the villagers to share their input (property and labor) and output (income) in a more equitable manner. It is true that the success of this model counts on many idiosyncratic factors such as strong common tradition and entrepreneurial leadership, and thus the experience might not easy to be copied by other communities. The success, however, sheds a light on the possibility of innovative adaption of culturally diverse tribal minority in modernization. Integrating into modern institutions and operational principles might be inevitable, and total integration usually leads to marginalization and exploitation by advantageous players in mainstream economy. A partially detached community economy with collective efforts created by multiple incentives embedded in grassroots governing institutions points out an exit for unfortunate destiny.

Reference