

ENDOGENOUS DEVELOPMENT IN MAKING: VIEWPOINT OF NETWORK STRUCTURE CHANGE IN CHIUFEN

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ABSTRACT: This paper presents the Chiufen case which shows an endogenous development process in making with institutional thickness of community; however, two arguments are claimed. First, though the self-help and property-related incentive of tourism development has triggered better institutional thickness of community, the effect on preserving cultural landscape remained limited. The community fails to enhance its concerns and practices on the preservation of local characteristic. This highlights the importance of incorporating environmental considerations which further integrates socio-economic concerns of endogenous development in setting with prior preservation policy of local governance institutions. Second, the limited self-reliant finance of new functional organization is hard to take care of community welfare concerns for common positive life.

KEYWORDS: Network Structure, Endogenous Development, Community Development, Governance

1 INTRODUCTION: ENDOGENOUS DEVELOPMENT AND NETWORK STRUCTURE OF COMMUNITY

Endogenous development means a process of community and employs its potential for development to improve the local population's standard of living (Coffey & Polese, 1984; Vazquez Barquero, 2002). It is a process in which social aspects are integrated into economic aspects. Endogenous development is treated as a strategy of local development. In terms of using local and external resources, the endogenous development also critically emphasizes the conditions of capital accumulation and external economies of scale (Vazquez Barquero, 2002). Obviously, the community development with endogenous characteristics may mitigate the possibly uneven exploitation due to external monopoly.

Endogenous development based on the concept of local economic development is superior to its locally connectible and closer to community life of people. It highlights being of self-centered and bottom-up development. Except the economic point of view, however, very less study summarizes the network structure change through revelatory case study of community development. Many communities could not attract investments of big enterprises after local people have done more efforts than enough. Concerning both economic and social conditions, the endogenous development seems to be a better strategy than exogenous development to improve the situations. The development process may impose on proper retail alliance to attract tourists and draw out the endogenous development into network structure change. It can properly represent the institutional capacity of community with social concerns. Thus, the term network structure here highlights the process of community development. However, though community development towards multi-sensing (Daugstad, 2008) is possible to ally local small retails and resist the external monopoly as well, it is still difficult to stop the demolition of cultural landscape. The 'self-centered' or 'bottom-up' development is quite a slogan to emphasize the tourism development which needs to share the welfare to community. Therefore, as a planner for promoting decision-making process, it is necessary to understand the network structure change in the making of endogenous development.

As for institutional aspects, endogenous development mainly includes organizations of context and local action. Endogenous development may be considered as the local productive systems which are characterized by internal network, cooperation and competition relations among firms. The regulation and governance of the systems depends on the strength of relations and exchanges within its territory. However, the focus of endogenous development concerning territorial development theory builds on the idea that each territory is the result of its historical context. If says that the territorial development is of self-centered and bottom-up development which is a voluntarism utopian approach searching for new paradigm (D' Arcy & Guissani, 1996), it is a specific territory of its network structure of community in which reflects on the development processes. The strategy to enhance institutional capacity will be the community consensus building and

interaction processes embedded on the society. The characteristics of rebuilding institutional capacity are going to impose on the change of network structure regarding ‘range’ and ‘density’ of institutional thickness. The quality of network structure changes reflecting on both ‘range’ and ‘density’ of networks is identified as ‘institutional thickness’ (Amin & Thrift, 1995; Healey, 1997, 1998) and its morphology.

2 NETWORK STRUCTURE CHANGE IN CHIUFEN

2.1 Institutional setting/ mapping the actors

The changes of network structure in Chiufen are able to be identified by comprising secondary documents reports as source material. Some academic literatures about Chiufen study in general are also screened. The unstructured interviews involved 19 key informants in some of the organizations who took part in tourism development in Chiufen. Although unstructured, each of 19 interviews touched upon issues, episodes and processes of their either directly or indirectly involvements which is helpful to set the change and evolution of institutions in Chiufen. They were interviewed by author from May 24 to June 23 in 2007 and revisited in May 2009. The related opinions were recorded and noted by author.

Chiufen is located in the north-east coast of Taiwan County, Taiwan. The Chiufen stories emphasized to us by nearly all informants was what cultural characteristics naturally attracted tourists under an un-planned situation, how the retailers formed their organization and how they self-helped from property loss and gathered for retail alliance as a result. To achieve this, the original nexus of policy actors had to widen out to encompass other networks in the public and private sectors, shifting both agenda and discourses. The episodes also show in the evolution of tourism development in Chiufen. Table 1 summarizes the main events, actors, agendas and discourses. The wider ambiances during the interactive practices have also established several project channels to the arena since 2001.

Table 1 Chronology of the evolution of Chiufen community

Date	Key actors	Key agendas	Key discourses
1971-78	<ul style="list-style-type: none"> Taiyang Mining Company, TMC 	<ul style="list-style-type: none"> No more gold mining interests. 	<ul style="list-style-type: none"> TMC ceased the gold mining; the Chiufen settlement declined.
1979-86	<ul style="list-style-type: none"> District chiefs 	<ul style="list-style-type: none"> Population declined seriously. 	<ul style="list-style-type: none"> 9 districts were merged into 5 districts.
1987	<ul style="list-style-type: none"> Media producers Retailers 	<ul style="list-style-type: none"> The “2nd spring” of Chiufen 	<ul style="list-style-type: none"> Media, including movies, advertisements, newspapers, etc., attract backpackers to visit Chiufen.
1988-92	<ul style="list-style-type: none"> As above National Taiwan University 	<ul style="list-style-type: none"> Called for preservation. Planned for Artist Village 	<ul style="list-style-type: none"> The artists stationed and planned to establish an artist village. It caused the increase of real estate price and the retailers entered from outside.
1993-99	<ul style="list-style-type: none"> Five CDAs RCA County Councilor Rueifang Town 	<ul style="list-style-type: none"> RWCD approved by MOI in 1991 CBOs started to operate but lacked of integration 	<ul style="list-style-type: none"> Five CDAs established; the “Rueifang Cultural Association, RCA”, established but dominated by county councilor.
2000-07	<ul style="list-style-type: none"> As above CTCA MOEA, DOC Taipei County Sponsors 	<ul style="list-style-type: none"> Self-help for a representative organization of retailers Governmental small constructions and maintenances Promoting tourism operation and building legalization 	<ul style="list-style-type: none"> CTCA established after mudflow disaster owing to Hsianshen Typhoon. The two-day weekend policy caused domestic visitors increased. RSAA of Taipei County established. The demand of building legalization for homestay business.

2.2 Assessing changes of network structure

Based on the chronology of the evolution and created project channels, some specific events and evidences related to its network structure changes are described as the characteristics of relational resources. According to the epochs to explain the relational dynamics in detail, it is possible to divide into three periods, i.e., ‘before 1971’, ‘1972-1999’ and ‘2000-2007’. The relational resources identified as Table 2 and Figure 1.

Firstly, the Chiufen was a settler society for gold mining settled in TMC’s lands before 1971. There were some web-like forms inside the original community due to the ‘Touren’ (elite) society. The morphology here including elites, retailers and residents could be described as atomistic. Obviously, TMC was the company dominated the employees. The district chiefs and neighborhood heads kept the ordinary relations with residents. Others were the hierarchy system.

Table 2 Changes of network structure in Chiufen

Morphology	Relation	Attribute	Before 1971	1972-1999	2000-2007
Corridor	Channels open for governmental grants and other actors	Linkage incorporate income	none	none	DOC, Rueifang Town, TICU, CPC, TPC, Sinyi Culture Foundation
		Linkage not incorporate income	none	Media, NTU	Media
Hierarchy	System between governments or between groups/ inner representative organizational structure	Formal linkage	Government-gov ernment, TMC-employees	Government-government, inner CBOs	Government-government, inner CBOs
		Ordinary linkage	District chiefs, neighborhood heads	District chiefs, neighborhood heads, TMC	District chiefs, neighborhood heads, RSAA of Taipei County, TMC
Hub/ Spoke	Identifying representative organization	Representative CBO	none	none	CTCA
		Other CBO	none	RCA, FCDA, SDCDA, CCDA, GCDA, UCDA	RCA, FCDA, SDCDA, CCDA, GCDA, UCDA
Atomistic	Key actors	Elite/ between groups (web-like link)	Elites (Touren)	Elites (Touren)	Elites (Touren)
		Retailers	Retailers	Retailers	Retailers
		Residents	Residents	Residents	Residents

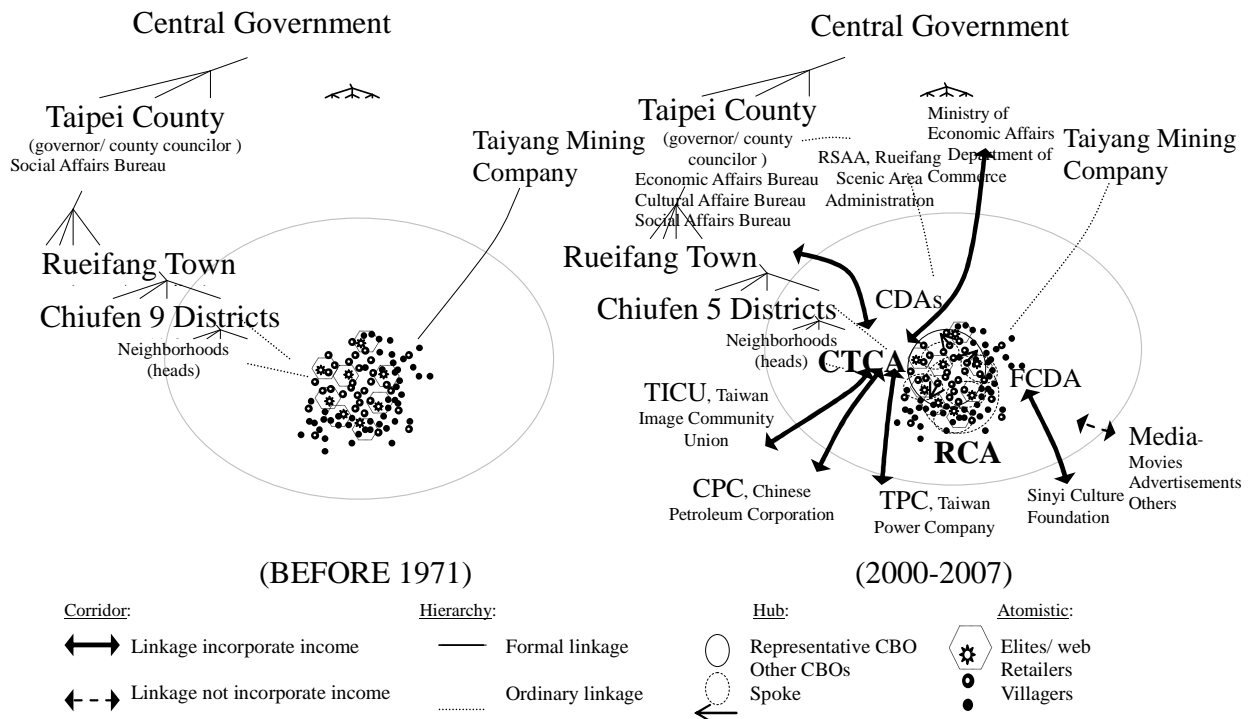


Figure 1 The change of network structure morphology in Chiufen

Secondly, after ceased gold mining in 1972, the Chiufen population declined. The nine districts recombined to become five. The TMC has no hierarchy relations to employees, but it was still renting lands to them to keep as an ordinary linkage. The relational resources have been diverse and multi-layered rapidly. Media as “linkage not incorporate income” played an important corridor for tourism development in Chiufen. The NTU had ever linked, too. Though it was a chance to form a representative CBO but failed. Many CDAs and the RCA basically were the spoke and hub-like forms. Other linkages follow the previous period. In 2000, thirdly, the organization CTCA allied retails to self-help themselves of mitigation from the typhoon

disaster. The spoke, hierarchy, corridors and web of relationships mainly surrounded the CTCA. The settler society was still structured by Tourens. The CTCA were new formations of CBO. There were some web-like forms maintained in the community due to the highly overlapped between organizations. The morphology here including elites, retailers and residents could be described as atomistic. The identifiable "hub" directly accessed to the representative CTCA for more information and power. Here relationships were actively managed to maintain dense networks among retailers though there was a competition between them. Spoke linkages is notable. Tourism benefits pushed retailers to gather as their own group. They highly directed to the CTCA. The RCA played an outmoded role; however, some spoke-like paths should not be ignored. Here different roles and nexuses were transected between CBOs due to the overlapping form. Corridor linkages were existing, let's say, activities of tourism promotion were the most important part. The corridor between the FCDA and the SCF was a little bit highlighting black-roof preservation. Potential linkages in Fuchu District would be formed. Corridor linkage between the DOC and the CTCA was important to sponsor the formation of new organization. In fact, they were elite members in the CTCA as well. These corridor channels may show not only the external but internal relational resources have created. Others were of a hierarchy type in the government system and the branch system inside the organizations.

3 FINDINGS AND CONCLUDING REMARKS

The tourism development in Chiufen represents the typical case of endogenous development. The characteristics conform to the transfer of local resources from dynamic and flexible activities, the facilitation of social relations, and the diffusion of alliance and tourism promotion knowledge. The study finds that firstly the 'range' of network structure has changed to become broader. The representative organization has been the hub of linking spokes as well. Secondly, the 'density' has changed to become higher which shows the improvement of relational resources. The more relational resources means the possibility to gain financial, human and social capitals enabling better social and economic conditions. It fits for the endogenous development concepts. The function of network structure has changed to become more multi-dimensions. It reflects on both range and density of network morphology. It is fair to say that Chiufen has been better institutional thickness than before; or precisely, after tourism development, the institutional capacity became better. However, its dispersed ownerships without managements may cause the loss of locally cultural resources to a vicious circle. The market-oriented nature of retail alliance has been restricted on community welfare concerns and promotion of common quality of life.

This paper concludes that the self-help and property-related incentives forged the allied organization of retails for common benefits. The allied organization has promoted its capacities in promoting local tourism; none the less, it lacks for community welfare concerns for common positive life and fails to enhance its concerns and practices on the preservation of local characteristic. This implies that the decision-making process of endogenous development should put the preservation in prior of tourism development, as well as the properly local network governance should be important.

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