

INSTITUTIONAL LEARNING:
THE PUBLIC HOUSING PROCESS

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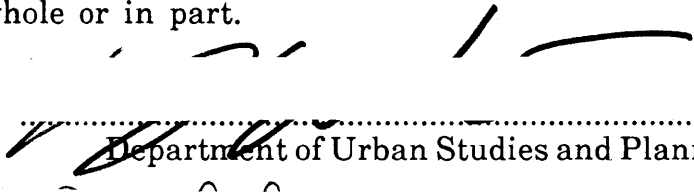
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It goes without saying that any errors that readers may detect in this dissertation are solely my responsibility.

ABSTRACT

Does a government learn from its experiences? If so, what kinds of learning have taken place or failed to take place? The case of the public housing process in Taiwan during the period from 1949 to 1985 is studied to investigate these questions.

Taiwan experienced three consecutive stages in its public housing process: Ad Hoc Action (1949-1958), Decentralized Management (1959-1974), and Centralized Planning (1975-present) Stages. In each stage, there have been changes in policy development, governmental organizations, and responses to and communication processes concerning housing problems. The two periods within the Decentralized Management and the Centralized Planning Stages were *pivotal periods*: these were the Gestation Period (1968-1974) and the Evaluation Period (1982-present), respectively. These two periods were *bridges in mediating changes* that occurred in the next stages.

From the Gestation Period to the Evaluation Period, the formulation of the global problem shifted from *housing shortages* to *housing vacancies*; the public housing program began with the intention of inspiring and *leading the private sector* but ended by *imitating the private sector*; the program started by trying to *shelter the poor* and low-income families and ended up by *servicing middle-income groups*.

In order to explain these shifts, the characteristics of the *dialogues within and among the political, planning, and operational forums* and the *dialogues among the different levels of the government* are analyzed. First, each forum put its own stamp on the public housing program to gain control over the program; the program was *politicized, professionalized, and operationalized* over time. Second, the objectives of the program were transformed by each forum's search for immediate goals through *problem-setting and problem-solving processes* as the problem was transmitted from one forum to another. Third, the original *incongruity between the espoused policy and policy-in-use* of each forum became an intrinsic feature of the dialogues. Fourth, *disjointedness* of the dialogues across the forums truncated and transformed the link between the error-detection and error-correction processes.

During the Gestation Period, public housing was *politicized in the search for a tool for correcting errors* in the previous administration's social welfare credentials. During the Centralized Planning Stage, public housing was *professionalized* by the planning forum, which sought *professional standards* for the physical development of the public housing program. During the Evaluation Period, public housing was *operationalized* by the operational forum, which sought *a solution for hurdling over the difficulties of acquiring land*, while searching for an efficient strategy to achieve the immediate production goal; for example, the operational forum created joint venture projects. Moreover, faced with low sales of units but continuing construction, the central planners suggested that construction stop; yet there was no dialogue between planning and political forums at the central level. The local planners then turned to the local mayors and Hsien leaders for their practical support in finding land that would enable the continued production of housing units to meet the original target. As a result, the target was shifted from the poor and the low-income group to the middle-income group and the original intentions of leading the private sector resulted instead in its competing with and imitating the private sector; and the housing problem was reframed as vacancies instead of shortages.

In summary, the complex process beneath the shifts can be explained as *institutional learning* that occurred in the Taiwanese Public Housing Process, *within each forum but not across the forums*. The kinds of learning that occurred included temporary, instrumental, imitative, and local learning, but not global or double-loop learning.

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CHAPTER 1

QUESTIONS

1.1 General Question: How do we account for the change?

Most developing countries have experienced housing problems of some kind due to rapid changes in the need and demand for housing. These changes have been the result not only from the natural increase in population and households but also from rural urban migration. In addition, housing problems have been compounded by the complicated processes of urbanization and economic development.

To solve their housing problems, the developing nations have formulated many policy options. Yet, housing problems persist. Both the literature and housing conditions in developing countries show that the problems are more acute for low-income groups; in fact, most nations claim to focus on creating housing for low-income groups. One of the common remedies the governments have chosen is constructing public housing. The rationale for

low-income public housing is that because low-income groups can not afford to buy and because the building industry, ever mindful of profits, sees small house as unprofitable, governments are responsible for housing low-income groups. Throughout its history as an independent nation, Taiwan has adopted that same rationale. For merely 40 years, Taiwan's public housing policy has been in a constant state of change: the governmental organizations that develop and implement housing policy have been shaped, disbanded, expanded, and reshaped.

In order to raise specific research questions based on what can be observed in the case of Taiwan, I will summarize the history of public housing process in Taiwan below.

The term, the "Public Housing Process" indicates the evolutionary process related to the development of public housing policies and organizations, and will be used throughout this study. The Public Housing Process in Taiwan can be described as having three stages: the ad hoc action; the decentralized management; and the centralized planning stages. During these stages there were two pivotal periods, or sub-stages, of the public housing process: the Gestation (1968-1974) and the Evaluation (1982-present) periods. During this process, public housing policies, goals, and problem perception evolved as did organizations and responses to housing problems.

The question then arises: how can we explain the changes?

The conventional research on housing policies conducted on a project basis tends to focus on analysis on a particular policy option but not to

explain the historical process of development of housing policy, and the historical studies tend to offer explanations of the changes but they do not explain the internal governmental learning process that might have been resulted in bringing about the changes.

There are several possible ways of explaining these phenomena of change.

- The changes indicate that a government behaves as if it were a pendulum, cycling back and forth between extremes; or else that it exhibits a continuous process of trial and error.
- The changes indicate that a government adopts the most fashionable policy measures it can. Therefore, a given change reflects the change of a policy-in-fashion.
- The changes indicate that a government dispenses its power in the interest of the dominant political group; a change, therefore, reflects political claims and controversies.
- The changes are consistent with a simple dynamic power change. When a new leader or personality comes into power, he changes the policy. Therefore, changes in policy are merely the result of the changes in personality.
- The changes indicate the possibility of the government undergoing a learning process. Successful learning may be schematized as starting with an initial stage of reflection on governmental experiences. This reflection initiates a loop-like

process, the next stage of which is a collective inquiry which eventually produces ideas in good currency. Developing these ideas marks the third stage of the learning process and are eventually transformed into a new policy, which will displace the previous policy. This learning process can take the form of many patterns ranging from simple to complex, and occurring in sequences different from the schematic view presented above. A failure of learning or distorted learning takes place when this loop-like process fails to develop because of a barrier, such as malcommunication. The changes in Public Housing Process, according to this theory, are the results of either success or failure of a given pattern of governmental learning.

These different ways of accounting for the changes observed in public housing in Taiwan will be called the Pendulum Theory, the Fashion Theory, the Political Contention Theory, the Personality Theory, and the Governmental Learning Theory.

1.1.1 The Pendulum Theory

The essence of the pendulum theory is based on the "bounded rationality" concepts introduced by Simon (1969). Individuals are limited in their ability to make rational decisions. A group, an organization, and a government which is a collective body of groups of individuals also has a bounded rationality. A government practices its policy through its continuous pendulum-like behavior in a narrower sense of trial and error. The phenomena that the pendulum theory postulates is that a government tries

out one particular policy and, when it sees it is a failure, it automatically tries an opposite policy.

Suppose a government behaves or believes that it ought to behave as this theory implies. In order to improve the performance of a government, it needs quick and accurate performance control and evaluation system to oversee policy implementation and to evaluate the results of policy implementation. At the same time, it needs a flexible organizational structure so that the government can pursue different policies without losing time in shaping up the government organization.

1.1.2 The Fashion Theory

The essence of the fashion theory is that the popularity of a particular policy based on the experience and evidence from abroad at a particular time determines government policy changes. In order for a government to behave as this theory implies and perform well, a government needs a "tailor" to alter policies so that they fit to the situation and context of the nation. It also needs advanced information processing and communication systems to communicate with other governments and international agencies and to keep track of policy measures so that it can adopt a policy-in-fashion in a time of need and know the experiences other countries have had with similar problems. Finally, in order to be up to date and informed, a government needs to operate an international idea bank to have ideas available, possibly in countries with the similar problems.

This theory can explain why certain policy measures become predominantly implemented in different countries.

1.1.3 The Political Contention

The main point of this perspective is whose interest is accounted for by the changes in policy. A ruling group constantly seeks to support and maintain the interests of the dominant group; policy changes are based on the interest on the dominant group. In order to improve the quality of government policy, a structural change is necessary so that different groups, and it is hoped the low-income group, can be represented as a dominant group.

This perspective identifies historical and structural grounds as the reasons why low-income groups have rarely been the beneficiary of housing policies.

1.1.4 The Personality Theory

The essence of this perspective is the emergence of power and leadership. Particularly in authoritarian countries where a streamlined hierarchical order is the basis of government organizations, a new personality with a new style of leadership could mean a change in policy in every aspect. Because this theory is a kind of weak individual learning theory, its application requires a particular kind of environment, if, indeed, a government thinks it ought to behave as this theory implies. In order to improve the quality of policy by improving the quality of the leader`s learning, a government needs a mature political environment where a qualified leader can emerge and be selected through a fair and democratic process and where there are both overall public education and

constructive competition among the individual learning that a leader experiences to every locality of a nation, it needs a tight hierarchical administrative order and streamlined performance.

This theory can explain some aspects of the different characteristics and styles of policies at different periods of time or under different administrations.

1.1.5 The Governmental Learning Theory

The essence of this perspective is that the learning process is a tool for investigating changes in a policy. When a government does learn, the change in policy is not something that has automatically occurred. The change is rather through reflection on governmental experience and this reflection mediates a collective inquiry which produces new ideas in good currency. In order to improve policy performance, a government needs to have an extensive capacity for learning. A government needs to find a way to organize collective inquiries; to keep group memories; to facilitate ideas in good currency; to create an environment to feed back the results of learning to the next stage; and to provide an open communication system instead of a control system. For instance, a central government should be able to facilitate what local governments can do, and the collective inquiry ought to be raised at local levels.

This perspective is based on organizational and governmental learning theories by Argyris and Schön, Schön, and Etheredge (Argyris and Schön, 1978; Schön, 1971, and Etheredge, 1979). This theory explains the process of learning resulting in policy changes as occurring in a time series

scheme. It also provides a framework for determining whether a change in policy can be understood as learning and for evaluating the quality of learning that occurs in a learning system.

1.2 Hypotheses and Focused Questions

We have explored different perspectives for accounting for the changes occurred in a government.

In order to select and elaborate the framework that will be used in this thesis, more focused, specific questions need to be raised based on the general questions. The specific questions are:

- Has governmental learning occurred in the Taiwan Public Housing Process?
- If so, what kinds of learning have occurred?
- What aspects of evolution of the Taiwan Public Housing Process can be explained by governmental learning and how is it better to explain oppose to other theories?

The pendulum and fashion theories might explain the peculiar behavior of a kind of weak and limited learning which might occur in a government. These theories both focus on comparing the end product of government policy in a constrained environment although the constraints differ for each theory. The pendulum theory assumes the constraint is the limited policy options. For example, a government may choose to centralize its planning processes and when this option fails, it decentralizes them only to swing

back to centralization after the latter fails. The fashion theory assumes that there is the constraint that a government has a limited way of searching for policy options at the domestic level. The political contention and the personality theories explain how a group or an individual can change a public policy. These theories account for changes in policy as products of political power or personal style.

These theories deal with only one facet of how change might occur and do not provide above concerning governmental learning. These theories can be employed to explain some aspects of distorted or limited learning that might have occurred in the Taiwan case. The governmental learning theory, however, provides a multifaceted, dynamic, and procedural framework to test whether governmental learning has occurred; moreover, it can be employed to detect possible weak points for governmental learning so that some policy implications can be drawn.

This research aims to investigate the process a government undergoes in dealing with changes and problems and to identify kinds of exercises a government can do in order to cope with the changes and problems they face. Therefore, governmental learning theory will be employed as a basic scheme to test the hypotheses and specific questions, because it appears to have the greatest explanatory value of the various theories described above. The four other theories will be employed and elaborated in order to explain the limited or distorted learning that might have occurred in the Taiwan case.

In answering the specific questions I raised, the following hypotheses can be formulated based on the case study of the Taiwan Public Housing Process and the theories that were employed.

- The changes in Taiwan Public Housing Process can be the result of success and failure of different kinds of governmental learning;
- At different stages of the process, reflection on public housing policy-in-use mediates to raise different patterns of collective inquiry;
- These patterns produces new ideas in good currency; and
- New ideas in good currency set the stage for new espoused public housing policies and cause public housing organizations to be established, rearranged, and discarded.

These hypotheses will be tested and elaborated in order to answer the questions raised.

CHAPTER 2

PERSPECTIVES ON HOUSING POLICIES AND INSTITUTIONAL LEARNING

Housing and housing policies have been studied through economic, architectural, sociological, anthropological, and political perspectives. In this study, we assume housing is an issue that needs to be studied with various frameworks or perspectives. This research aims to investigate whether governments learn from their experience and if so, what kinds of learning have taken place or failed to take place. Unlike conventional research on housing and housing policy, this approach to the study of housing therefore, includes research into the learning behavior of a government, as well as housing and housing policy. This chapter reviews the literature on housing and on governmental learning.

2.1 Perspectives on Housing Policies

The abundant literature on housing has witnessed the failure of housing policies and the persistence of housing problems in developing countries. Because we wanted to know whether this literature can explain the housing policies that have evolved in Taiwan, I classified this literature according to its academic perspective and attitude toward housing into following categories: research with a classical economic perspective; that with a neo-Marxists' perspective; and that with an empirical perspective. At the end of this section all these perspectives are synthesized.

2.1.1 The Classical Economic Perspective

The essence of the classical economic perspective was the notion of productivity. Since housing was viewed as a sector with low productivity and "the only road to greater material welfare is through greater economic productivity" (Grebler, 1955), housing investment in the conventional economic strategies of the 1950's and the 1960's was considered to be a social overhead or welfare expenditure, and, therefore, state intervention was discouraged.

2.1.2 The Neo-Classical Economic Perspective

This perspective was shaped by focusing on the building industries and their impact on the economy as a whole. The key notion was the "multiplier effect" of the building industry (Gorynski, 1971), according to which the industry was believed to increase growth of the economy as a whole. Like the classical perspective, the neo-classical economic perspective was also based

on the notion of productivity, but the perspective differed in looking at the effect of the building industry on the whole economy. Therefore, Grebler (1973) found that "improved housing means improved productivity" (Grebler, 1973) and a case study of a Columbia project (Fox, 1976) showed that housing investment is an "engine" for economic development. Most arguments favoring housing investment revolve around a revised view of the productivity of housing and recognize it to be a potential sector for fuller employment for two reasons: the housing industry is labor intensive and the impact of an environment improved by better housing correlated with an increase in people's productivity (Stretton, 1979).

This view is more advanced and comprehensive than the classical economic perspective, for it takes housing into account as part of a larger economic process. The neo-classical assessment of housing productivity includes not only the cost of the initial investment but its impacts on the other related industries as well. However, this notion suffered from proving specifically how productive the various "multiplier effect" is and what "productivity" means. The advantage of this perspective was that it gave the political leader a positive view of housing without changing the focus on economic development.

2.1.3 The "Self-Help" Perspective

The self-help perspective stems from the notion that housing conditions can be improved by progressive building activity with limited state intervention. Public housing and self-help schemes became competing ideas in dealing with housing problems in developing countries. Public housing

was considered to be an expensive way of providing housing because of the cumbersome and expensive government bureaucracy. Consequently, self-help scheme became to be considered cheaper, more practical ways to shelter the poor.

The essence of the self-help scheme is the idea of providing shelter with less state intervention than in the past and with more "people's creativity." This idea is based on the assumption that people's creative energy can build more houses than government bureaucracy. In an aided self-help scheme, a government can help in preparing land, providing basic infrastructure, and getting cheap materials. The construction is left to the residents.

Various types of self-help schemes have increased throughout the developing countries during the 1970's, largely due to financial resources international organizations have made available. For example, in the 1970's governments in developing countries changed widespread policy concerning squatter settlements from one of eradication to upgrading and sites-and-services programs and the World Bank assisted such policy changes (Keare, 1982) by funding projects in developing countries which were basically applications of the self-help scheme advocated by Turner and many others (Turner, 1965).

Turner inspired many researchers to conduct empirical case studies and to research the lives of the poor, that is to learn from the people in the developing countries. Many research has developed, not only on housing programs but also on the "marginal" life of the poor, which centers on the informal sector and marginality. The concept of self-help led to creating of

many low-income housing projects and made the governments' attitude toward squatter settlements change from seeing them as the source of a problem to the source of a solution. As many governments throughout the developing countries have gained experience in self-help projects for some ten years, throughout the developing countries, numerous critiques are emerging against the assumptions, target populations, and strategies of organization of self-help schemes.

Korean self-help programs provide examples of the difficulties of translating Turner's ideas into the realities of developing nations. Since the land readjustment scheme was put into practice in Korea in 1947, projects have been oriented mainly toward the middle class, not low-income groups. Although Turner developed his ideas in the 1970's and intended such programs to reach low income groups, the reality of the long history of such prototype programs in Korea illustrates the practical difficulties of Turner's targeting assumptions. Turner intends self-help schemes to maximize people's creative intentions, but virtually all aspects of korean self-help housing have been institutionalized, thereby downplaying the importance of individual contributions, and self-help projects are highly organized government programs.

2.1.4 The Neo-Marxists' Perspective

The neo-Marxist perspective on housing can best be understood by reviewing the critiques on the self-help housing scheme which have emerged recently, because this perspective has been developed through a theoretical critique of the proposition of self-help.

The debate between John Turner and Rod Burgess on the self-help proposition resembles the debate between the anarchist Sax and Fredrich Engels a century ago, as Burgess himself mentions in his critique of Turner's work (Burgess, 1982). "In 1872, Engels was engaged in an intense debate with the anarchist Sax over the role of self-help and state assistance in the solution of the housing question" (Burgess 1982: 57). As Engels did with Sax's views, Burgess examined Turner's concepts on housing and drew attention to the contradictions within them. He showed that the policy implications of Turner's self-help scheme for Latin American housing articulated the interests of the dominant class and argued that self-help was doomed to failure because it could not accommodate self-help housing as a commodity in a system in which the capitalist mode of production is dominant.

Harms used a conflict model of society to examine why the practice of self-help occurs. He uses a historical perspective which has been drawn from examples of self-help projects in Germany, Britain, the United States and Latin America to show that self-help projects have been propagated by dominating groups to manage the political and economic crisis in the capitalist countries (Harms, 1982).

Like Harms and Burgess, Castells criticized the romantic concept of slum as a solution to the housing shortage instead of a problem. Castells saw such a view as a distortion of the historical and social variables into nonhistorical and spatial constraints; the problem of slum cannot be solved under the capitalism because capitalism requires that slums exit. For a Marxist, slums

exist only in relation to their specific historical context; capitalism creates and maintains slums for its own purposes: to create a more or less segregated source of reserve labor willing to work for very little money because of its desperate living conditions. Skinner evaluated the benefits of the self-help project as at best a temporary technical solution to a problem intrinsic to the capitalist system and felt that such programs "at their worst may be a prelude to repression" (Skinner, 1982: 227) He argued that self-help schemes contain the potential for "super-exploitation" and that the solution to housing problems can only be found through a "commitment to fundamental transformations in society" and "structural change."

Such neo-Marxist perspectives center on the critique of the self-help schemes favored by the so-called intermediate technology school or anarchistic liberals. Obviously, the neo-Marxist perspective points out structural and historical issues that so called the liberals ignored. However, from their long and detailed arguments, one can glean only abstract recommendations, most of which focus on a fundamental transformation of society and structural changes. Therefore, although Marxist analysis may help us to understand the political economy of housing policy, it is most likely not to give practical alternative recommendations.

2.1.5 The Contextual Perspective

Unlike theoretically oriented neo-Marxist analysis, some researchers have raised important questions based either on their empirical work or on methodological problems concerning how housing has been studied. This work can be categorized neither as intermediate technology school liberal

nor as neo-Marxist. For instance, the up-market movement on the government-aided self-help scheme in Bogota, Columbia was questioned by Doebele and Peattie (1976). They stated that this scheme was "creaming off" the "more established members of the working class" and "leaving the others behind to find as they may be in the unorganized system" (Doebele and Peattie 1976: 4). They argued that such a policy was dangerous because it physically separated the relatively privileged groups from the urban poor who are dependent on them for the local trickle-down effects of their income.

Stretton has pointed out that classical economic theory has defined housing as a consumer durable good rather than as productive capital and that most economic analyses ignore the goods and services which households produce for themselves or for informal exchange (Stretton 197 :111).

On housing policies in general, Peattie raised the following question as a "puzzle." "Why is government housing policy in developing countries so characteristically odd?" She pointed out a need for future research on "specific places" (Peattie, 1979: 1021). The essence of the contribution of the empirical perspective is that it expanded the concept of housing from shelter to housing and a commodity in a multifaceted system, that is, in its larger economic, political, social, and cultural context. It also questioned conventional assumptions concerning attitudes of the poor toward housing as an investment. Empirical researchers found that if the poor have money they would often rather invest it in other areas of their lives than their housing. If the poor themselves are given improved housing, they prefer to sell it, squat, and to invest the money in a small-scale business venture in an effort to secure a better livelihood or, for those who were unemployed, a

means of earning a living at all. This research raises the question that if the poor themselves prefer economic pathways to improving their standards of living, why do governments persist in making even the limited efforts they make to provide housing for the poor?

2.1.6 Synthesis of The Perspectives

Research on housing policy has evolved from through five different phases: the classical economic focus on the low productivity of the housing sector; the neo-classical economic view of the multiplier effects of the housing sector ; self-help schemes -- an anarchistic,architectural view; the class-conflict theory of the neo-Marxist view: the empirical view of the multifaceted character of housing.

The classical economic view and neo-classical economic view explain why housing investment was discouraged and later encouraged or legitimized in the context of economic growth, to the point where it became a government's first priority. The self-help scheme explains the emergence of low-income housing projects in the 1970's. Critiques by the neo-Marxists indicate the determinants of political economy of housing policy; and the empiricalists' questions point to directions for future research on housing.

Research on housing can be usefully evaluated from the point of view of the debate between Turner and Burgess. Turner privatized housing problems, insisting that they could only be solved through the direct creative efforts of individuals, acting on their own behalf. Turner felt that government bureaucracy is cumbersome and ineffective and, furthermore, that government planners are ignorant. From an entirely different

perspective, Burgess also discredits the role of the government in creating solution to the housing problems of the poor. He believes that governments act essentially in the interests of the dominant class and not in the interests of the poor. From my point of view, Turner underestimates the actual power of the government in developing countries in the following way: when government funds are directed into a project, it appears almost inevitable on the basis of experience that government will institutionalize the process. Using Turner's terminology, housing policy and implementation in developing countries is done mostly by "administrative planning" rather than "legislative planning," that is, instead of making guidelines that allow for individual input and creativity in how plans are designed and implemented, the government formulates detailed procedures for carrying out a plan, which is then centrally administered.

Like Turner, Burgess discredits the role of the government in creating solutions to housing problems, but from an entirely different perspective. Burgess's perspective contains fertile ideas concerning the political economic aspects of housing policy. The principal limitation of Burgess's ideas are that he sees the forces of the political economy as absolute determinants of whether and what kind of housing will be provided for the poor. Although these factors have an undeniably powerful effect on housing programs, I believe that government planners can have some positive effect, although a limited one, on the process of formulating policy and implementation. This effect would be in the form of immediate measures taken to provide for the survival and well-being of the poorest members of a society. Undoubtedly such measures will meet with opposition from members of the dominant

class if they do not coincide with their interests, and such programs will undergo distortion in their implementation by the government, which will act to ensure its continuing control of how the resources are distributed. In the interest of providing temporary and partial solutions to the housing problems of the poor, however, as many provisions as possible must be made for their immediate needs. Because of his ideologically determined perspective, Burgess makes no recommendations concerning how to solve housing problems other than through a massive structural transformation of a capitalist society.

The lever for introducing and implementing plans for housing that are favorable to the poor may be in gaining some control of a process of internal governmental learning. In order to investigate whether such a lever is feasible, this study will focus on understanding whether and how governments learn from housing experience. Since most previous research on housing policy is descriptive or prescriptive and issue-oriented, it has focused on specific cases of housing projects. Such research does not provide a basis for understanding government behavior in developing housing solutions that may be applied in a number of cultural contexts.

2.2 Institutional Learning

As Etheredge (Etheredge, 1979) pointed out, "government learning is a new interdisciplinary field of social science inquiry" and "only three books address[ed] the problem". Major theories in institutional learning have

been formulated by Schön (Schön, 1971, 1987), and Argyris and Schön(1974, 1978).

2.2.1 Defining Learning

What constitutes "learning"? Hilgard and Bower (1975) define it as follows: "learning refers to the change in a subjects behavior to a given situation brought about by his repeated experiences of that situation." (17)

When we observe the behavior of the Taiwanese government, the changes occurred in the public housing policy and in the structure of the organization which is in charge or solving the persistent housing problems. in hilgard and Bower's term the government learning occurred. Then, what kind of change occurred in a government can be understood as learning?

Etheredge gives an approximate answer to this question. "True learning should be assessed not by behavior change or attitude change but by the dual criteria of increased intelligence and sophistication of thought, and of increased effectiveness of behavior" (Etheredge,1979: 4)

For example, in assessing the development of the organizational structure of public housing -related bureaus and the more complicated and comprehensive policies they formulated and implemented, learning can be hypothesized because the Taiwan government attempted to understand the housing problems in a more comprehensive context. That is, effectiveness as mentioned by Etheredge an adequate indicator for assessing the evolution of becoming intelligent? Etheredge himself mentions that "complete knowledge can provide only limited control and effectiveness" (Etheredge,

1979:5) Moreover, the question of whether a government is effective in a particular policy area may depend not only on how well the government can perform but also on how self-reflective it can be.

2.2.2 Organizational Learning

Argyris and Schön (1978) describe the kinds of organizational learning that may arise from the question of self-reflectiveness of an organization. The theory assumes that an organization may have self-reflecting capacities. The most limited kind of self-reflective capacity is that involving error-detection and error-correction which in turn will permit the organization to carry on its present policies or achieve its present objectives. This kind of learning is called single-loop learning (:71). The more profound learning is "double-loop learning" which Argyris and Schön describe as a kind of "organizational inquiry which resolves incompatible organizational norms by setting new priorities and weightings of norms, or by restructuring the norms themselves together with associated strategies and assumptions."(:24) The most complex form of learning is "Deutro-learning", a kind of learning where "members [of an organization] learn about organizational learning and encode their results in images and maps" (:29).

2.2.3 Governmental Learning

Schön depicted the nature of government as a vehicle for public learning. The most important characteristics of governmental learning is its characteristics of public character. That is, in public learning "government undertakes a continuing, directed inquiry into the nature, causes and resolutions of problems" (Schön, 1971: 116). Then, how does a government

learn? "If government is to learn to solve new public problems, it must also learn to create the systems for doing so and to discard the structure and mechanisms grown up around old problems. It is to design and bring into being the institutional process through which new problems can continually be confronted and old structures continually discarded." Schön defined it a "government's version of the more general problem of response to the loss of the stable state" (:116-117)

If we understand a government as a learning system, the crucial question becomes how are perceptions of the consequences of actions fed back into the governmental learning process. The feedback process of the governmental learning system can be the key element in investigating the learning process. These learning perspectives explain the process of policy inquiry, reflections, and the changes that might have resulted from different kinds of feedback activities.

CHAPTER 3

THE CASE HISTORY: THE PUBLIC HOUSING PROCESS

This chapter focuses on the evolutionary processes related to the development of public housing policies and organization in order to explore 1) whether government learning has occurred; 2) what kinds of learning have taken place or failed to take place. This case scenario will show how goals were identified, what policies were actually formulated, how the policies were implemented, what problems and puzzles emerged, and how public housing organizations reacted to problems in order to intervene or change public housing policy and its organizations. I will call this process the Public housing Process, a term that will be used throughout this research.

3.1 Methodology and Information

3.1.1 Methodology

In order to answer the questions raised in the previous chapter, we need to know the history of Taiwan Public Housing Process and the possible periods during which collective inquiries might have resulted in bringing about a change in stage in the Taiwan Public Housing Process.

First, the history of the Public Housing Process should be examined including the following: the espoused policies, the policy-in-use, the organizational changes, and how the government thought about housing problems and responded to them.

Second, the Taiwan Public Housing Process should be categorized into several stages in order to investigate how the changes occurred. These stages need to be characterized on the basis of how the public housing policies were dealt with between the central and the local governments.

Third, the possible periods in which collective inquiries might have occurred need to be investigated in an accurate time series in order to examine the detailed processes and themes of governmental learning: the way the inquiries mediated, raised, and led to the change of espoused policy at the next stage.

Fourth, in order to investigate the kinds of learning that might have occurred, the inquiries need to be examined to determine whether they were on the basis of problem setting or solving.

In order to identify the possible factors that set the initial stage for changes, I must investigate the overall environment of the Taiwan public housing process, such as the political changes and social movements in relation to the process.

To conduct this process-oriented research applying organizational analysis, semi-structured and unstructured interviews with informants were carried out to get the detailed information on the Taiwan public housing process.

The following institutions have been selected as the most important government organizations in the context of this research.

- Planning Institution: the Department of Public Housing, the Ministry of the Interior
- Implementational Institutions: The departments of Public Housing of Taipei City and of other local governments
- Advisory Institution: the Department of Housing and Urban Development, the Council for Economic Planning and Development at the Executive Yuan

3.1.2 Information and data

In order to acquire an understanding of the history the Taiwan public housing process, the following information is needed:

- Espoused policies and policy-in-use on land, public housing loans, and on clientele for public housing;
- The numbers of public housing units, categorized by size and type, produced during each stage of the process;
- Overall urban development patterns over time;
- Location on public housing over time;
- The decision-making and the implementation process of public housing policies;
- The political changes and social movements over time;
- The organizational working process of the institutions selected in the previous section; and
- The discussions and ideas on public housing in Taiwan over time.

The information has been collected from the two field research carried on in the summers of 1984 and 1985 and communications with the informants in Taiwan and in the U.S. This information was collected through partially structured and unstructured interviews, personal observation, published government documents, statistics, memos, newspaper articles, and the relevant professional and academic journals.

3.2 The Public Housing Process

For some 40 years since independence, the public housing process in Taiwan can be viewed to have passed through three stages which I will call: the ad hoc action, the decentralized management, and the centralized planning periods.

The policies of 1949 to 1958, the ad hoc action period, were mainly responses both to rapid migration from mainland China and to damage from typhoons that brought about emergency measures. From 1959 to 1975, the decentralized management period, the provincial government was responsible for the management of several aspects of public housing. From 1976 to the present, the centralized planning period, the central government identified housing as a major problem area and implemented the national long-term public housing plan. During these 40 years, two pivotal periods associated with intervention in policy and housing organizations were seen. The first pivotal period was from 1968 to 1975 within the decentralized management period and the second was from 1982 to present and occurred within the centralized planning period.

3.2.1 The Ad Hoc Action Stage: 1949-1958

In 1945, Taiwan gained independence from Japanese colonial control and in 1949, Taiwan established an independent nationalist government. In the four-year period, 1949-1953, the migration of one million mainlanders to Taiwan created housing shortages. In 1953, the damage from the typhoon "Kert" compounded housing shortages and pushed the new government

into acting to relieve this emergency situation. In 1954, the government organized an emergency action team, called the Urban Housing Construction Team in the Ministry of the Interior. This was the first attempt to set up a formal housing organization in Taiwan. In 1955, the team was reorganized as the Public Housing Construction Committee under the direct supervision of the Executive Yuan. The members of the organization were from the various relevant ministries, Yuans, and the U.S. Embassy, who worked together as needed on an ad hoc basis. The specific organizations participating in the committee were the Legislative Yuan, the Judicial Yuan, the Examination Yuan, the Control Yuan, the National Assembly, the Economic Affairs and the Financial Ministries, and the American Embassy. In May 1957, the committee members were reduced to five and reorganized under the Ministry of the Interior.

The actions taken by the organizations were managing and allocating two financial resources, U.S. aid and domestic bank loan. The U.S. aid was utilized for self-help housing projects designed to relieve the damage from the typhoon Kert. The domestic bank loans were allocated mainly to central government officials, representatives, and government employees for their housing mortgage and construction fund. The funds totaled NT\$ 103,398,8000 during this stage.

The most important action taken by the Public Housing Construction Committee was promulgation of the Public Housing Loan Act in 1957. The act guided and guaranteed low-interest, long-term loans for public housing, by creating ceilings for duration and interest rate of 10 years or longer and 6% or less, respectively.

The number of housing units constructed with the help of these resources from 1955 to 1958 was 8,724 and the annual figures are shown in Table 3.3. This act is still utilized, although the interest rates and the term of the loans been revised. At the time of this writing, the loans are for 15 to 20 years at 6%.

The clientele for U.S. aid and domestic bank loans were different. The U.S. aid was given to urban residents, farmers, workers, and fisherman who were victimized by the typhoon, while bank loans were available mainly to the migrant mainlanders who were working in the government.

Relief of the housing shortage was the vague and general goal espoused by the central government. However, as the central government allocated the housing loans, particularly the domestic bank loans, they focused on helping the "needy" who had migrated from the mainland and were working in the central government. There were, therefore, two different sets of goals related to the government actions: The espoused goals and the goals-in-use. The goal-in-use differed from the espoused goals in that they did not target all the people in need of housing. U.S. aid appears to have been impartially allocated, but the government focused on allocating bank loans to mainland migrants in its service.

One of the actions taken by the Committee concerned with in terms of housing loans was to create ceilings for interest rates and loan-duration. This action might have been a result of four years of experimentation with allocation of loans without fixed guidelines. In order to make the process more efficient, the Committee may have felt the need to ration the task of

allocating the loans. There is no record of how the clientele were selected. However, based on my field interviews, it appears that most of the domestic loans were allocated to central government officials and representatives. Therefore, as described earlier, the clientele for the bank loans were not selected on the basis of income level, but on their occupation.

In sum, this period can be seen as a stage of developing guidelines for allocating the financial resources available for emergency relief of the housing shortages without having an active financial and organizational commitment to a broader context of housing policies. Actions were taken on an ad hoc basis, and the housing organizations were formulated at the central government level. Since the members of the action team and the committee were temporary, when the urgent housing needs were solved, the Committee was disbanded and in 1959 the tasks of public housing were shifted to the provincial government.

3.2.2 The Decentralized Management Stage: 1959-1975

1959 was a turning point in the evolution of governmental housing organization. Since the emergency housing problem was considered relieved, the central government discontinued its role in public housing administration and shifted the role to the provincial government.

This shift may be viewed as decentralization of housing administration because the provincial government is considered to be the "local" government in Taiwan where the three-tier administrative system consists of the central, the provincial, and the municipal and county governments.

However, because there is only one province in Taiwan (Taiwan Province), and the administrative boundary of the province covers most of the nation (The Republic of China, which is commonly called Taiwan), the provincial government is characteristically a devolutionary body of government instead of a local government. Therefore, this shift should be understood as a devolutionary decentralization.

In the provincial government, there was neither a housing bureau nor any housing organizations. The responsibility for public housing administration was assigned to several different departments of the provincial government and the overall operational aspects of public housing were carried out in each county and city government by a Public Housing Construction Committee. At the provincial level, seven government organizations were in charge of working on five main aspects of public housing: management in the Department of Social Affairs; engineering in the Bureau of Public Works; building materials in the Supply Bureau and the Forestry Bureau; finance in the Department of Finance and the Land Bank of Taiwan; land in the Land Bureau.

In 1961, the Public housing Construction Management Act was established by the provincial government. The Act includes several important revisions on the scope of public housing, public housing administrative procedures, financial resources, and mortgage terms. Its most important provision was to establish a public housing fund by earmarking 25% of the revenue from the land value increment tax.

Since 1967, the revenue from the land value increment tax, which was designed to collect increased value of private land due to public development activities, was reduced because some revenues were shifted to the nine-year compulsory education program.

Within the decentralized management stage the pivotal years for development of housing policy, leading to the centralized planning stage were from 1968 to 1975. The most significant events, which influenced discussion of housing problems during these pivotal years, originated outside as well as inside public housing organizations. Outside forces came from the political events associated with a new political movement.

In the late 1960's and early 1970's, diplomatic setbacks in relations with the U.S. and Japan set the stage for reform in domestic policies. A dispute with Japan over administrative rights to the Tiao-yu-tai islets began in 1968, and Nixon's visit to Beijing in February 1972 accelerated the movement for political reform, which had been suppressed by the nationalist administration led by Chiang kai-Shek.

The movement for political reform became visible when the political journal Ta-hsheh-tsa-chi was published by Taiwanese intellectuals in 1968, and a declaration urging political reform was signed by 336 university professors. These groups aimed at establishing political democracy and fundamental freedom. The issues raised included youth participation in politics and university affairs, reelection of representatives at the national level, and social welfare for workers and the poor. These claims gained support from young intellectuals and students and inspired massive

demonstrations against the Chiang kai-Shek's central administration for several years. But this movement made minimal gains toward achieving its goals before its virtual disappearance as a political force. However, the movement brought pressure to bear on the administration and pushed the premier Chiang Ching-Kuo to prepare to transform his administration into a "reform administration". Later, by 1975, Chiang Ching-Kuo was able to portray his administration as a reform administration. As evidence of reform, he announced a "Ten-point Administrative Reform Program" on June 9, 1972 and an "Eight-Point political social Reform" in 1973, both of which focused on changing the behavior of administrative personnel. This political turbulence and social movement were reflected in the public housing arena in more concern about low-income families and the homeless. The central government began to review housing problems and started to search for solutions at the national level, while the provincial government remained in charge of housing administration. I will call these pivotal years, 1968 to 1975, the Gestation Period.

During this Gestation period, the central government set up two organizations to review housing problems: the Urban and Housing Development Committee to assess urban housing problems and the public housing Construction Ad hoc Committee to evaluate the problems of public housing policy.

The two organizations produced a series of reports to recommend new actions by the central government. The recommendations included: 1) revision of the Housing Act; 2) linking the public housing plan with the

economic development plan; and 3) accurate projection of long-term housing demand.

For the first time, the central government directed a serious effort toward understanding the housing problem in a broader context and initiated establishing coherent public housing organizations. These efforts in reviewing and understanding the housing problems in a fuller context helped to bring about establishing a housing organization at the central government level, instead of managing several related departments at the provincial government level.

During the entire Decentralized Management stage, the financial resources for public housing totaled NT\$ 3,923,499,653.40 (\$98,084,991) which was from the Public Housing Fund. The number of housing units constructed during this period totaled 131,712 units.

The legacy of this period was establishing committees to review and plan new strategies and organizations.

During the Gestation Period (1968-1975) these two committees questioned and reviewed the roots of housing problems beyond the implementational and management levels and ordinary administrative performance control. For example, planning concepts, such as the effects of urbanization on housing, locational factors, market speculation associated with urban development and renewal may have been brought to bear on the housing shortage by these two committees.

In 1975, with the birth of the Six-Year public housing Plan the devolutionary decentralized management period ended and a centralized planning period began. Since 1976, public housing policy has been centrally planned and locally implemented.

3.2.3 The Central Planning Stage: 1976 to the present

In 1976, the Home ownership program was launched and its first plan was the Six-Year Public Housing Plan. This was the first centrally formulated long-term housing plan which was incorporated into the overall on-going Six-Year Economic Plan. The plan's aim was to construct 25,000 units each year for low-income families.

In 1978, at the central level, the Urban Development Department of the Economic planning Council under the Executive Yuan was reorganized as the Housing and Urban Development Department. At the provincial level, the Public Housing Construction Committee was disbanded, and the housing and Urban Development Bureau was established. At the Taipei municipal level, the Department of Public Housing, which was reorganized from the Public Housing Construction Committee in 1975, became responsible for the tasks of public housing.

These organizational changes reflect the government's notion that centrally organized bureaus and departments could be more effective than committees in formulating and implementing a coherent public housing policy because of their legal power and organized networks.

Since 1981, the central government has begun to evaluate the performance of the public housing plan. Discussions, meetings, and questions raised among the Ministry of the Interior, the Economic Council, and the Taipei City produced internal evaluation reports which in turn facilitated thinking about the results of their central planning efforts. I will call these pivotal years, 1981 to the present, the Evaluation Period.

During this Evaluation Period, high vacancy rates were considered as a problem. The problem of a high vacancy rate, 13%, may be the result of problem solving for housing shortages. The problem of housing shortage was set during the earlier Gestation Stage and the centrally planned housing policy was implemented during the Centralized Planning Period.

3.3 Research Strategy

3.3.1 Questions and Variables

In the previous sections of this chapter I have described the research questions, the hypotheses, the theoretical framework, and the methodology for this thesis and presented a case study of the public housing process in Taiwan.

This section discusses specific questions arising from the case study and my strategy for the field research.

As I explained in the previous chapters, the questions in this chapter are centered on the issue of how governmental learning can be tested and

verified. In the second field research, I investigated the two pivotal periods described in the case study: the gestation (1968-1975) and evaluation (1981-present) periods. On the basis of previous research, I have identified three classes of variables: information processing and monitoring capacity; the process of "raising collective inquiry"; and the policy correcting capacity. These appear to be relevant in understanding the process of discussions of the two issues, housing shortages and housing vacancies at the levels of policy-making and implementation. The purposes of the second field research was to explore whether governmental learning has occurred in Taiwan in relation to housing issues; what kind of learning has occurred; to investigate whether these variables are associated with this learning process, and further, to clarify the mechanisms by which they affect it.

3.3.2 Information Processing and Monitoring Capacity

To describe the variable of information processing and monitoring capacity in specific terms, the following questions need to be answered:

- How do governmental organizations get information and stories concerning difficulties, problems, and limitations, and other data? How are these stories transmitted from the local to central governmental levels, from the field to the office, and from the housing market to the monitoring institution?
- How do such organization monitor information on implementation?
- How do organizations report the process of implementation?

- Are there any informal measures or tools used at the local level? If so, what are their purposes?

3.3.3 Process of Raising Collective Inquiry

To obtain valid and reliable measures of this variable, the following are relevant:

- How do government organizations respond to various indicators or signals of: consumer response to public housing, governmental evaluation of public housing policy, social change in general, theoretical and practical trends in housing policy.
- Are the responses to indicators or signals mentioned above different at various levels of the governmental housing apparatus?
- How did organizations succeed or fail to raise a collective inquiry?
- What is the boundary of risk and the limitations on or incentives in raising a collective inquiry?

3.3.4 Policy Correcting Capacity

To determine whether a government has policy correcting capacity, the following must be answered:

- What is the boundary of control and the limitation on or freedom in translating the findings into a policy for governmental action?

- How did a finding of the process of collective inquiry become transformed into a change in the espoused policy or policy-in-use?
- For what purposes did the government change organizational structure?

CHAPTER 4

THE PIVOTAL PERIODS REVISITED: FROM GESTATION TO EVALUATION PERIODS

The previous chapter described the scenario of the public housing process in Taiwan from its independence to the present. In that chapter, we learned that the public housing process has undergone changes encompassing three consecutive stages and two pivotal periods in its development.

How can we understand the changes in the evolution of the Taiwanese public housing process, that is, the changes in pronouncements, legislation, institutional arrangements, the planning process, and the implementation of public housing policies in Taiwan?

The changes that have occurred in the housing process are clearly identified and understood as an evolutionary process. As indicated in chapter 2, these changes can neither be fully explained by existing theories

of housing nor by such exploratory theories as fashion theory, personality theory, political contention theory, and pendulum theory.

In order to understand the changes, we need to know more about the specific periods which appear to be creative and facilitative of change. In order to comprehend the forces facilitating change, we should revisit the Gestation and the Evaluation periods which I have hypothesized as pivotal for the changes that discussed in Chapter 3.

4.1 A Framework

In order to test whether learning has occurred and what kinds of learning have been practiced in the public housing process, we need an integrated framework which can be employed first to trace the changes over time, second to interpret the actions taken by organizations that created the changes, and third to describe and assess the inquiries that initiated and facilitated actions taken.

4.1.1 Formulating and Testing a Learning Continuum

Accounting for changes includes two processes. One is to formulate a learning continuum of the public housing process and the other is to test the learning continuum formulated. Several perspectives and approaches have guided the development of a framework for formulating and testing the learning capacity of the public housing process.

I have started with a historical approach (Gardner, 1968), seeking to show how the change may have evolved by tracing interrelationships among past, causal antecedents and the current problematic situation. This

historical approach was used to tease some patterns out of a sequence of events in the public housing process, because we need bases for interpreting and inter-relating events otherwise isolated occurrences.

However, I departed from mere description of the sequence of historical events in my concern with the interpretation of events and particularly the notion of causal chains of events. Because it is necessary to interpret and distinguish between latent and active factors of the system in question, beyond the historically observable traits of changes and events.

After laying out the historical events, I needed to know more about how this public housing process functions: not the mere description of rank and file of the bureaucratic branches and laws but analysis of agents and functions of the process. The systems approach (Ackoff, 1971 and 1974) was useful in understanding a system that consists of components that are dynamically interrelated among one another beyond the structure of the system. Given this approach, it is necessary to identify agents and the functions of the agents. I have called the agents as forums which acted as major institutional vehicles in shaping ideas, decision-making and implementation of the public housing process.

The next question lies in the forums' interaction among one another, in terms of creating, processing, and responding to the changes observed. The search for an answer started with the concept of a self-regulating system (Deutch, 1963; Beer, 1972; Steinbrenner, 1974), for understanding cycles of detecting errors, responding to the errors, and reacting to the stages of the housing process and, as well as to transitional periods of feedback. The self

regulating system of the public housing process was not assumed as a "thermostat", but rather was looked at a possibility of "feedback" in the process of planning, action, and feedback.

The three approaches helped to explain how I have structured the case history of public housing in Taiwan: 1) the historical approach in laying out the sequence of events; 2) the general systems approach in understanding how the agents function to interact to one another; and 3) the self-regulating systems approach in comprehending the cycles of error-detection. However, a question remains as to how the theories encompassing the continuum of public housing process changed beneath the historically observable level of chains of events. In order to understand factors which mediated and inhibited creating the different stages and particularly the pivotal periods of the continuum, it is necessary, first, to analyze and compare what the public housing system has claimed to do with what the system has actually done, so as to flesh out the system's actions into the espoused theory and theory-in-use (Argyris and Schön, 1974). An analysis to distinguish the policies in two levels, espoused and in-use leads to an understanding of the complicated web of the actions claimed by the system and the system's actual behavior. Second, it is important to analyze and to evaluate the characteristics of the process of inquiries for "error-detection" and "error-correction." Because it enables us to reveal the critical catalysts, and/or facilitators, buffers, and hindrances that have succeeded or failed to mediate the shift from one state of theory-in-use to the next so as to test and discover the quality of organizational learning capacity.

The learning continuum of the public housing process has been mapped by describing changes in the patterns of action the government has taken and in the environment of those actions. The description of the evolutionary process is primarily based on the following six components: (1) the espoused policies and policy-in-use under which the government and the forums were operating; (2) the institutional arrangements, including both the organizational structures and their laws and regulations; (3) the framing of the problems, including changes in problem-setting and problem-solving and the interplay between the two, as well as changes in goals and objectives which set the rationale for actions taken; (4) the behaviors of the organizations involved, including the interactions and structure of and the responses from the institutional behavior; (5) the outcome of governmental actions, including the actual magnitude of public housing production such as the numbers, location, design, means of distribution, pricing, eligibility requirements, and management of activities such as expansion and alteration of housing units; and, (6) the contexts of these events, that is, the political and socio-economic backgrounds where the government takes its actions.

4.1.2 Pivotal Periods in the Learning Continuum

I have identified two pivotal periods in the public housing process, namely the Gestation (1968-1975) and the Evaluation(1982-present) periods. These periods are bridges that mediate the changes which occurred between the Decentralized Management Stage(1959-1975) and the Centralized

Planning Stage (1975-present), and between the Centralized planning Stage and the future.

In this study, I arranged the public housing process into consecutive stages and periods by identifying and organizing the similar patterns of actions, situations, and outcomes. The pattern itself I refer to as the learning continuum. The importance of laying out the evolution of the continuum here lies not in dividing a certain reality into classes or patterns but in characterizing the incoherent and transitional periods between the coherent stages. Finding incoherence in the pattern of the learning continuum means finding clues for formulating theories to account for changes. The bridge periods between the homogeneous stages are pivotal in revealing the nature and limitations of making an inquiry and of its resolution, which may bring about different kinds of institutional learning.

4.1.3 Role of Pivotal Periods

As was indicated earlier, the pivotal periods acted as bridges to mediate the changes and eventually lead to the development of a different stage. These are the periods of breakdown of a certain continuity or, in Schön's terms, "zone[s] of instability" (Schön, 1971).

A pivotal period may be the period that reveals changes which accompany a crisis, chaos, or a silence, indicating that beneath the evolutionary continuum, there might be a process of success or failure of learning that can be strengthened and amplified by the conditions of changes that we see in the historical process.

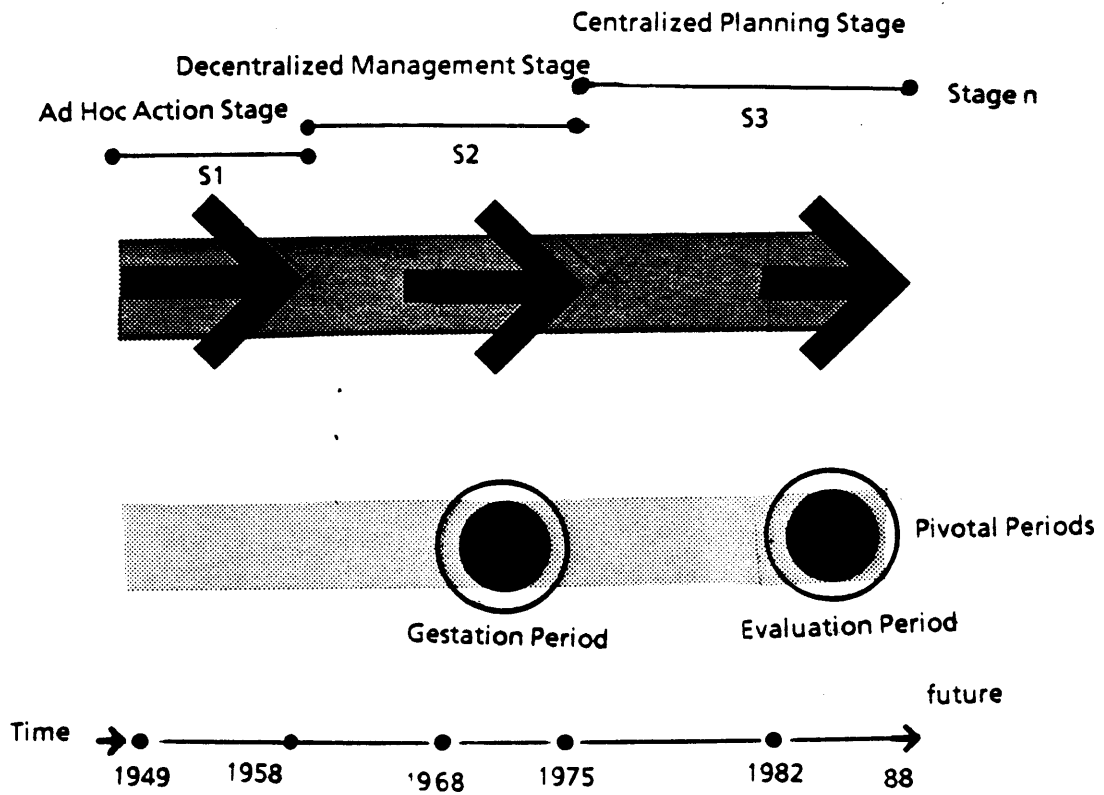


Diagram 4.1 The Pivotal Periods in the Public Housing Process

4.1.4 Forum

The term "forum" in this study refers to a medium for discussion; it is an institutional vehicle in which individuals can discuss ideas, assess actions taken and the events that have occurred, and develop strategies for problem-setting and solving.

The three forums have been identified not only on the basis of the bureaucratic or professional positions of their members, *but also on the basis of the full range of activities and influences an individual may have in addition to those designated by his/her official position.*

An analysis that uses a forum as a means of explanation has two principal advantages over conventional approaches which limits themselves to analysis of officially designated structures and job roles. A forum-based analysis (1) can depict individual behavior that deviates from espoused roles, and (2) it can describe intra and inter-organizational linkages that are not part of the officially recognized channels of communication.

In the Taiwanese public housing process, I have identified three major forums, namely, *the political, the planning, and the operational forums.* *The agents of the political forum* include high-level politicians who are the core agents of decision-making. *The agents of the planning forum* include the group of planners and planning-related professionals inside and outside the government, i.e., architects, planners, economists and so on, who are engaged in planning, generating ideas, and supporting the political forum as a professional brain pool. *The operational forum* includes the administrative

agents of the government, who implement policies. *Sometimes, a member of a particular forum may act outside his/her usual sphere;* for example, a planner may become involved in the political process.

In this study, clarifying how and what discussion was raised, and how the discussion led to making and changing decisions for the planning and implementation process is important in order to identify the shifting actions of the agents orchestrated among different groups.

In order to understand the changes that occurred in the Taiwanese public housing process, it seems critical to explain how housing projects, as one of the "construction projects," became politicized and professionalized phenomena. Because the focus of this research is on testing the institutional learning hypothesis by analyzing the changes occurred, I have based my investigation of the changes that occurred in the policy-in-use and the changes that occurred in the the focuses of the discussion agendas among and within the forums.

4.2 The Gestation Period Revisited

In order to understand the Gestation Period, it seems critical to investigate the political and socio-economic context for what happened during this period.

4.2.1 The Context: The Political and Socio-Economic Background

The period from 1968 to 1975 included the preparation of Chiang Ching-Kuo's succession to Chiang Kai-Shek as well as the deterioration in relations between the R.O.C. and the U.S. The Shanghai Communique of 1972, in particular, posed new uncertainties for the nation's political future and raised political debates unprecedented in openness and scope among intellectuals in Taiwan. However, the change in U.S. policy toward the People's Republic of China in 1971-1972 tended to strengthen the conservative nature of the government, eventually making it even more reluctant than usual to consider risky political reforms. Chiang Ching-Kuo needed political support and legitimacy for his domestic reform policy. He also faced the instability triggered by the diplomatic setbacks between Taiwan and the U.S. and between Taiwan and Japan and the consequences of these setbacks, such as more open discussion among the different groups of people in Taiwan about domestic and international policies. The "Taiwanization" of the government began to accelerate, while the mainlanders inside Taiwan who held the reins of power struggled to maintain their political influence. In Taiwan, most of the government officials were members of the Kuo-Min-Tang, the leading party in power since the independence.

Moreover, the external threat of derecognition by the U.S. provided both groups with a strong motivation for keeping the political process orderly. Both the government and the opposition led by Taiwanese intellectuals felt that they would benefit from political stability and continued economic growth. The parochial conflicts among the groups vying for power in Taiwan were not the major determinants of Taiwanese policy decisions at the time. As H.H. Chen comments, "Understanding Taiwan is much beyond the parochialism most often depicted by some Westerners as the cause of any sort of situation in Taiwan" (Personal communication, July, 1985). The pragmatic interests in the smooth operation of the government overrode the parochialism most often depicted as the major element in understanding Taiwanese policy. Both the intellectual opposition and the administration, led largely by mainlanders, altered the substance of policy and emphasis on particular policies, such as public housing, without changing the basic idea of the hierarchical institutional authority in which mainlanders were at the top. Both groups needed more than the high rate of economic growth to show that the living standard of the R.O.C. indeed far surpassed that of the P.R.C. and to demonstrate the progress and the commitment the R.O.C. had made.

The socio-economic context for this process lies in the rapid urbanization which occurred during the '60s. The urbanization ratio increased during this period (Lin, 1982), showing the pressing migration from rural to urban areas, which, in turn, increased the demand for housing in urban areas.

4.2.2 Searching for an Answer

During the Gestation Period, the political and planning forums emerged as the major institutional vehicles for working on housing issues. The former group consisted of the political leaders and advisors associated with Chiang Ching-Kuo; the latter group was composed of the planners in the universities and the government. The political forum set in motion the discussion on housing to create a centralized public housing program, while the planning forum rationalized and justified this discussion by reviewing the national housing problem in general, and centered its efforts around the Council for Economic Planning and development (CEPD). The administrative forum, which could implement the policy at an operational level, had not yet established itself at this time.

Understanding the positions of and interactions between the political and planning forums is critical for comprehending the Gestation Period as a bridge which mediated changes and identified the learning the government experienced from the interaction. The political forum was going through a transitional period primarily because Chiang Ching-Kuo was being groomed to succeed his father, Chiang Kai-Shek, as Premier. Facing a political setback and needing political support, he geared the political forum toward preparation of reform policies that would be implemented later. Chiang's reform policies centered on "clean and honest government that can serve the people" with emphasis on domestic policies, the improved "livelihood of people," and centrally "responsible" government (Personal communication, R. Chang, July 1985).

The heart of the political forum was the Executive Yuan, headed by Chiang Ching-Kuo; the Yuan was the focal point for decision-making on public programs, such as economic development. The Council for Economic Planning and Development (CEPD) at the Executive Yuan was the planning forum that transformed the ideas into policies and programs. The political forum perceived housing as a problematic area, but gained confidence from the success of the Singaporean public housing program.¹ "If Singaporeans can do it, so can we." (Interview with Lee, MOI, July, 1985)

In 1968, the central government organized a group at the CEPD called the Urban and Housing Development Committee (UHDC). It consisted of 19 experts, who would review national housing problems. The UHDC was the core of the planning forum. More than twenty meetings in three years were devoted primarily to drafting the Public Housing Act, the Architecture Code, the Architects' Code, the Reference for Site Planning and Design, and studies on housing loans, and on housing conditions and needs. The CEPD's "Housing Data" report of 1972, summarized the committee's efforts and tried to assess the various data on public housing from different departments at the local level, drawing a picture of housing for the entire nation.

The policy drafting by the political forum and the research and ideas generated by the planning forum were well orchestrated. For the political forum, the drafting was a long-awaited effort to integrate different groups in Taiwan and to demonstrate the government's concern for national housing issues. For the planning forum, the research was an opportunity to use members' professional knowledge and skills. The planners who had higher

education and felt that the field had not been utilized for national level projects, perceived this as an opportunity to be more involved in decision-making at the national level, which in turn might elevate them to higher and more important positions. These two tasks complemented one another and, as a result, the two forums cooperated in launching a nationwide program.

4.2.3 The Problem Framed: Housing Shortages

Describing how the problem was framed is important because how the problem was framed during the Gestation Period has a direct bearing on what policies resulted. In sum, the housing problem was framed as one of the "housing shortages" and housing conditions by the planning forum, and the actions recommended in order to relieve this problem were portrayed as a tool for "social welfare" by the political forum.

The planning forum's major efforts were to draft the Public Housing Act, to design a national public housing program, and to justify the policy by linking the program to the housing problems evaluated by the UHDC. All of these efforts were synchronized during the Gestation Period.

In order to trace how the housing problem was being framed, we need to know how the UHDC viewed the housing problem and specifically, how the problem was framed in terms of "housing shortages." The committee attempted to show how great the need for new housing was, both in quantity and quality. they described housing conditions and housing shortages to support the launching of a public housing program as a logical conclusion. When the UHDC reviewed the housing problem, it projected housing needs

by estimating dwelling units required by increases in population and by a decrease in the number of slum units. The committee included projected decreases resulting from new public works over a projected 20-year period(1969-1988). The UHDC arrived at a total number of housing units needed of about 3 million units (See Table 4.1).

Table 4.1 The Projected Housing Demand (1969 - 1988)

Period	Population Increase	Deterio-ration	Illegal Housing	Total
1969-72	452,100	120,240	30,800	603,140
1973-76	383,700	118,950	30,800	533,450
1977-80	436,200	120,240	30,800	587,240
1981-84	494,500	103,430	30,800	628,730
1985-88	560,400	99,550	30,800	690,750
Total	2,326,900	562,410	154,000	3,043,310

Source: CEPD, Housing Data, 1972.

The UHDC's report did not consider the total number of housing units constructed yearly. The reasons are, first, housing data had been compiled in terms of aggregated floor area, i.e., in total number of "ping" (one ping equals 3.3 square meters) rather than in individual units². Second, the compiled floor area did not specify in terms of land use. For example, the record of data starts at a local level when the department of architecture grants a building permit. The record had been kept of the size of floor area

for units and aggregated to arrive at the total area of building, which did not spell out residential use, so that the compiled floor area includes non-residential floor space.

The report also did not consider the capability of the private sector to add to the housing stock. One of the officers at the MOI said, "We don't even know how many construction companies are out there, we can only guess." As a result, there was a logical leap between projected housing needs and the public housing plan, perhaps due to lack of data and the fact that different sections of the report were written by different experts without integrated efforts.

In fact, the problem of housing shortages might not have been a matter of aggregate numbers of units but rather of distribution, particularly in the two major cities, Taipei and Kaoshiung. According to the housing census of 1970, which was apparently not available for the committee in time for its report, Taiwan had 2,623,265 units for 2,625,628 households. It is interesting to compare the census' gap of 2,363 units needed with the UHDC's projected need of 3,000,000. Borrowing the term "housing supply rate" that has been used in Taiwan for research and decision-making on housing, the rate reached 99.9% (data from 1970 census).

Let us turn to the missing parts of picture on the private sector. Nearly 90% of housing stock had been produced by the private sector (data from MOI and statistics). Obviously, the major force for producing housing units, particularly as many as the 3,000,000 units projected, would be the private sector. However, the reputations of some construction companies and

private developers were "not reliable," particularly for constructing low-income housing units. In the words of one of the government planners, "They just hit and run." (Personal communication with Lin, July, 1985). In terms of industrial production, the building industry had reached the highest point in 1965. Of the approximately six thousand big and small construction companies, some might "hit and run" and disappear before completing construction as soon as they got money from a buyer.

The so called "pre-sale" method whereby a buyer funds the expenses for construction in advance has been popular among private developers. Therefore, the planning forum's assessment of its role in constructing low-income housing units was that companies and developers were ill-equipped to serve low-income families because of their single-minded desire for profit. In other words, the planning forum's rationale for the public housing program was that low-income housing should not become a market niche for the unreliable private developers; it should be an arena for improvements in social welfare by a responsible government.

The planners expanded their professional rationale for solving the problem of housing shortages beyond the shortages. The PHA's supporting documents depicted the major housing problem not as a simple shortage of units, but rather as the "inadequate physical condition" and the physical environment of the existing housing units. The committee viewed housing conditions in terms of the quality of a housing unit and its environment, based on the planners' concepts of minimum standards: a toilet, a kitchen, living space, a separate entry, and decent site facilities such as playground, market, and school. (MOI,1982)

The committee's guideline for public housing construction was "to build standardized units directly built by using a method of concentrated development." (CEPD, 1972)

Having defined shortages and inadequate condition as housing problems, the planning forum cited one more problem that might result from these two problems and that was politically most serious. It was the problem of public security. Knowing that the political forum was committed to the idea of launching centralized public housing program, the planning forum seized the opportunity to persuade the political forum to act promptly. The planners warned of the serious danger of leaving the housing problem unattacked and unsolved. In the words of the committee for the Public Housing Act, the rationale was stated as follows:

The housing situation should be improved before poor housing conditions and housing shortages create social unrest while Taiwan is still going through a civil war with the expectation of recovering the Mainland. (CEPD, 1972: Translated)

However, the major programs were not necessarily priorities in the government budget. The programs represented what the government felt was a "responsible" response. According to the basic political philosophy called the "San-Min-Ju-Yi" (SMJY consists of the Taiwanese mixture of Confucianism and modern democracy that focuses on the responsibilities of a government; it is the foundation of all the policies in Taiwan. The government has a "duty" to provide shelter for every citizen. (Note: In the Chinese language, "public housing" literally means "citizen's housing.")

4.2.4 The Birth of Public Housing Act of 1975

The preparatory efforts of the Gestation Period culminated in the promulgation of the Public Housing Act of 1975. The Act, consisting of 45 articles, has been the basis for planning and implementation of the public housing program. It provides guidelines for eligibility, housing standards, land acquisition, price, and loans upon which the organizations involved in public housing, including the EY, the MOI, the CEPD, the MOF, and the local governments operated.

4.2.4.1 Eligibility

The Act of 1975 identifies as clients "low-income families" (Article 2), while the introduction of the act added "families of servicemen, government employees, and teaching personnel." (MOI, 1975 and 1982: 91)

The income level required to apply for public housing was not specified at the beginning but later on in the Centralized Planning Stage (see next section). Eligibility was a question throughout the implementation process because of the difference between the espoused policy -- "housing for low-income families"-- and the actual policy -- housing for middle-income families, and military personnel.

4.2.4.2 Land

Article 9 specifies rights and procedures for housing agencies to acquire land for public housing. The article seemed quite powerful because it gave legal power to housing agencies to override the Land Law, which specifies

the basic rights on land and transactional procedures. Article 9 is in conflict with Articles 104 and 107 of the Land Law over purchasing rights. The Land Law specifies:

When property or land is sold, the owner of the land, or tenant has the priority right to purchase the site. (Land Law, Article 104: Translated)

When farm-land is sold, the tenant or renter has the priority right to buy or mortgage the land. (Land Law, Article 107: Translated)

Articles 9 and 10 of the Public Housing Act state:

If public land is suitable for public housing, the land shall be sold, preferably to the housing agency. (Article 9: Translated)

Adjacent land shall be consolidated ... by the agency. (Article 9)

To build public housing, the government may designate an appropriate area as the site for public housing and complete zone condemnation. The area of the site shall be decided by the local public housing agencies and reported to the Executive Yuan for approval. Upon approval of the condemnation of land, the local government shall announce the condemnation for 30 days and notify landowners. The announcement may be made to forbid transfer of ownership, division, mortgage, new or additional construction, or change of terrain within the area. (Article 10: Translated from Chinese)

The changes by the Public Housing Act in land ownership and in the rights to purchase land can be shifted to the public housing agency by giving priority in the right to purchase land. This was done to ease the difficulty in land acquisition of private land.

4.2.4.3 Prices and Loans

Article 16 specifies the price of and loans for public housing.

The price of the public housing units should be lower than the cost and in reference to the market price of nearby property. Loans

should last no less than 15 years and be not less than 70 % of the price. (Article 16: Translated from Chinese)

Claiming that public housing is for the low-income family, the price should be lower than the cost, a provision that obviously shows the program was intended not for profitization, but to increase the distribution of affordable housing stock. The loan condition sets the unusual financial help, unlike most of the private home buyers that put up cash without loans from banks.

4.2.4.4 Management

Articles 18 and 21 state the sources of funds for management and describes the inappropriate use of housing units after a family moves in. According to Article 18, the fund for management has three sources: 1) 2.5 % of the sales of housing and its interest, 2) maintenance fees collected from residents, and 3) public housing funds.

In the management of the usage of the housing units, Article 21 specifies the following seven conditions whereby "the public housing agency may recapture a house and the land it is on": 1) illegal use of the house; 2) failure to pay principal and interest on the loan for three months; 3) sale, pledge, mortgage, grant, or exchange without an agreement with the public housing agency; 4) purchase by members of one family of more than one public housing unit; 5) change to non-residential use; 6) failure to move in within 3 months after purchase; and 7) failure to pay the management fee for 6 months (summarized from article 21). Articles 22 and 23 detail the "illegal use" referred to in Article 21.

In case of "expansion, alteration, partition, or other changes that affect safety, health, landscape, or tranquility of the community,"the housing unit should be restored to its original state within a given time limit. If restoration does not occur, the public housing agency shall do the restoration, but the expenses shall be paid by the residents. In the event residents refuse to pay for restoration, the housing unit will be recaptured by the public housing agency (Articles 22, 23).

The government during the Gestation Period viewed public housing as a standardized shelter distributed to "low-income" families, according to the Act of 1975. In other words, "distributing" the well-designed dwelling units to low-income families seemed to be a way to achieve social welfare.

Focusing on the notion that housing is a shelter, the PHA did not see some other important aspects of housing as tool for investment, turf, social status, and for production. Another error was that housing construction was not closely integrated with other related plans such as the regional plan, and the transportation plan; rather, it was an independent sector unto itself. Consequently, the planners' professionalism and politicians' zeal for "good" programs were channeled toward producing standardized housing units.

4.2.4.5 The Public Housing Program

The issue of public housing received high priority and was shaped into the public housing program, one of the ten major programs among the National Economic Plans of the new administration led by Chiang Ching-Kuo; it was declared a "social welfare" program (Housing Act 1975, Article 1).

On July 15, 1975, the Public Housing Act was promulgated and the "6 Year Public Housing Plan" was launched. The organizational structure for implementation of the program was rearranged and created as a streamlined, centralized public housing organization centered on the Department of Public Housing, MOI. The previously decentralized and scattered public housing administration was changed to a centralized administration to implement the newly designed national public housing plan based on the Public Housing Act of 1975. At the central level, the committees which had dealt with public housing issues were reorganized into public housing departments. At the provincial and local levels, the public housing departments and the housing and urban development bureaus were created and expanded.

The "Six-Year Public Housing Plan" was designed to be implemented by the centralized housing administration. The essence of the program was the construction of public housing units for low-income families. The important goal was translated into building the number of housing units shown in Table 4.2.

Table 4.2 The Public Housing Plan

Year	No. of Units
1976	10,114
1977	10,114
1978	13,118
1979	25,000
1980	25,000
1981	25,000
Total	

Source: Kuo, Report on Public Housing,
1981

4.3 The Centralized Planning Stage Revisited

The legacy of the Gestation Period was the birth of the public housing program. It was based on the Public Housing Act of 1975, which had set the basic guidelines for the planning and administrative forums during the Centralized Planning Stage.

In this section, I will describe how the Act was translated into policies characterized by centralized planning and decentralized implementation. My purpose is to examine the process of the changes in policies, the responses to the changes, and the discussion of the problems that arose. The focus of the examination will be on how the planning forum interacted with the political and operational forums. In the summer of 1985, I had the opportunity to participate with the Taiwanese planners in the nationwide "evaluation trip" for public housing. Moreover, I believe it is more within the scope of this study to examine the changes of the planning forum's behavior.

4.3.1 The Orchestration

The Executive Yuan (EY), the Ministry of the Interior (MOI), the Ministry of Finance (MOF), and the Council for Economic Planning and Development (CEPD) are the four major agencies responsible for the public housing program. The EY has been in charge insofar as it makes and approves the decisions; the MOI operates the programs by planning and supervising implementation of public housing projects by the local agencies;

the MOF sets conditions for housing loans; and the CEPD develops policy proposals.

Since July 1975, the administrative forum, staffed by planners, was the major group responsible for implementing the public housing program. To understand this implementation process, we must comprehend (1) how the planners approached public housing, (2) what problems their approach created, and (3) how the planners responded to those problems. We will be able to see a particular kind of institutional learning that took place in Taiwan.

4.3.2 Technical Problem-Solving

4.3.2.1 The Planners

The planners fall into three categories: government planners, academic planners (either in universities or in research institutions), and the consultants. The backgrounds of the planners vary, yet most have experience in architecture, civil engineering, economics, geography, and sociology. The planners and architects hired or contracted by the local governments to design the public housing sites were led mostly by the planners and architects at the central level: i.e., middle-aged planners and architects who had been educated in Taiwan or abroad (usually either in the U.S. or in Japan) as well as a group of locally trained planners, architects, and graduate students.

The following section describes some of the ideas the planners and architects had about their roles in designing public housing. One of

Taiwan's famous architects Li advocated designing public housing that symbolized the traditional Chinese pattern of design. Li designed the DaAn apartment project ; his design for the exterior of the apartment buildings incorporated the stylistic element of Chinese curves instead of straight vertical and horizontal lines.(Interview with R. Chang: July 13, 1985)

One of the planners in the provincial government, who wished to remain anonymous, observed : "You can really design something good if you make it a new town project; otherwise, you can't do anything modern or stylish." (Interview : August 5, 1985.) One of the planners in the central government MOI stated: "Public housing means housing units for low-income groups, by the government, and with some standardized quality." (Interview with I. Lin, July 10, 1985)

Public housing meant physical shelter provided by the government. In other words, planners saw themselves as pioneers in initiating new architectural designs. They felt they were charged with the task of improving the physical living conditions of low-income families with financial and institutional help from the government. Therefore, public housing, which had been *politicized* by the political forum during the Gestation period, now was *professionalized* by the planners and architects during the Centralized Planning Stage.

4.3.2.2 Fashionable Concepts

Being concerned with "standardization" and "good quality," the planners focused most of their effort on how to design the public housing sites. Many planners and architects wanted to use the "super-block" concept in public

housing design. Such planners had already been disappointed because many of the existing apartments had not been built according to the super-block concept and because the apartment sites did not have enough open space for greenery and playgrounds.

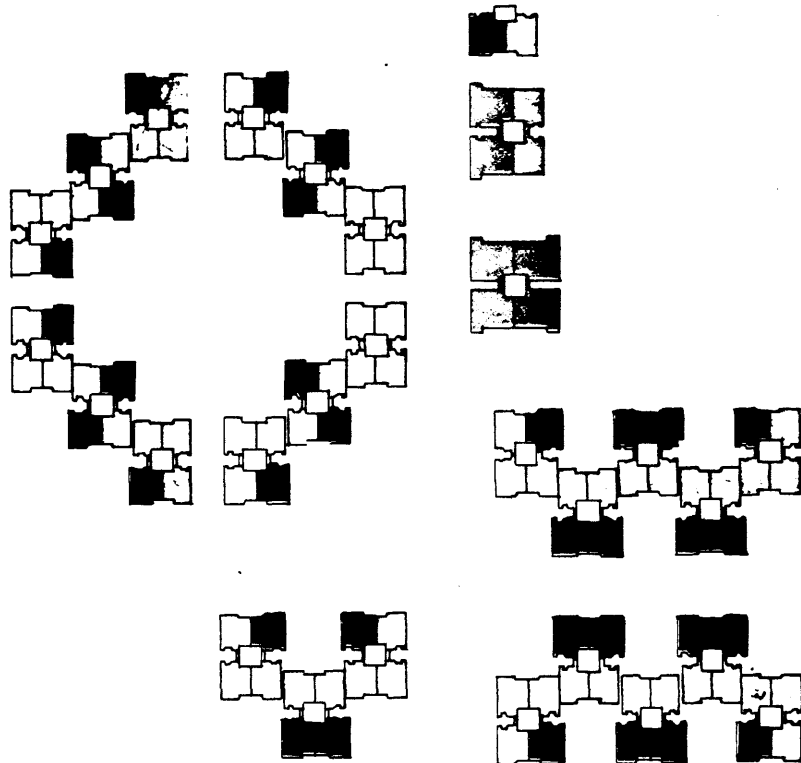
These planners not only shared a super-block concept; they also agreed that the exteriors of apartment buildings should be designed without "obstructive" and "ugly" iron bars attached to the windows. The layout of an apartment followed the Western concept of a two-bedroom apartment: 2 small bedrooms, a small bathroom, a small kitchen, a big living room, and no working or receiving space.

Residential and commercial sites were clearly marked on the land use plan. As a result, the public housing apartment buildings were tall: 7, 9, 12, or 19 stories, for instance, with playgrounds, greens, and separate commercial areas.






The "super-block" concept seemed to be a way of maximizing land use and including playgrounds and greenery in the neighborhoods. Standardization of the units would save time and expense. For example, Taipei city designed 2,444 standardized units at the Cheng-Kung project with the following floor sizes: 20 ping (note, 1 ping=3.3 square meters), 24 ping, 26 ping, 28 ping, 30 ping, and 34 ping. The Da-An project had 5 types of layouts for 1,296 housing units: 24 ping, 26 ping, 28 ping, 30 ping, and 34 ping. (Figure 4.6) Once the planners, in the government and outside it, completed the design and planning, the local governments contracted private construction companies to build the housing units. With the stated purpose

Figure 4.1 A Prototype: Da-An Public Housing Site
 Source: The Public Housing Report, Taipei City, 1981, p.15.

大安新村國宅配置圖
 Site Plan of Da-An Project



圖例：
 Legend:

-  24坪型
24 Pings Type
-  26坪型
26 Pings Type
-  28坪型
28 Pings Type
-  30坪型
30 Pings Type
-  34坪型
34 Pings Type

of improving construction techniques and producing good quality housing, (Ibid, p 15) the government usually contracted big companies. Taipei city spelled out their rationale behind contracting big, established companies as follows:

Most buildings built were high-rises, which need longer construction time and better equipment. Only first class construction companies which have sufficient experience and financial capacity could win a bid.

It is interesting to find out that the planners' notions of super-block, new town, and standardization seemed to be carried out smoothly by large-scale companies. It also seemed that the ethical integrity of the large-scale companies was trusted by the planners more than that of small-scale companies: The large companies are trusted not to "hit and run"; they are trusted to "build and stay" for another contract.

4.3.2.3 The Results: What Planners Created

The public housing system orchestrated by the four major agencies (CEDP, MOI, MOF, EY) constructed 94,084 housing units, one-twentieth of the number of the housing units constructed by the private sector between 1976 and 1982. In 1978, the MOF improved the conditions for housing loans. The ban on housing loans to construction companies was lifted, and the companies were allowed a maximum of 40% of the housing cost. All these decision were made and approved by the EY.

The "super-block" concept favored by the planners demanded purchases of large tracks of land for housing projects, which in turn, added more constraints to the already difficult task of acquiring land for public housing.

Designing large-scale projects instead of small-scale pilot projects made it impossible to learn without paying extremely high prices for error in design, pricing, and evaluation.

4.3.2.4 The Residents' Responses

Western designs did not readily accommodate to the Chinese way of life and, thus, became an inconvenience for residents. Residents, for example, hung their laundry to dry on playground equipment and balconies because the housing reflected the condition of a typical American apartment building with clothes driers.

Design flaws and limitations became obvious when residents began to live in the public housing buildings. Residents enlarged balconies and illegally enlarged and attached iron-bars to the windows and the front doors of their apartments. Garbage storage facilities were non-existent and each household had to carry it in the elevators to the outside of the building.

At a broader level, the public housing program did not consider mixed land use--- residential and commercial--- with flexible subdivision of housing units. People were accustomed to using their housing for commercial purposes. For example, it is quite common in Taiwan for residents to own and manage shops such as variety and food stores in the same building in which they live. When a ground-floor space was used for residency only, the

occupants of the building viewed the situation as a "sin." To the building's residents, the opportunity cost of ground-floor space for residential purposes was very high. Using the first floor of the public housing apartment building for purposes other than commercial ones was viewed as a "sin" by the middle and lower-income families I interviewed. (Interviews, summer of 1985)

This consideration was strong enough to deter some people from applying for public housing. When one of the low-income families was asked why they had not applied for a public housing unit, they replied that they "could not attract customers." (Interview of the Hsieh family in July, 1985) The family practised the rituals of Taoism daily; their Taoism and commercial activities - - selling the ritual red-inked papers and ritual services - - required access to customers.

While residents understood housing as production infrastructure, the planners in Taiwan perceived it simply as a physical shelter.

4.3.2.5 The Planners' Response

The failure to adapt Western design to the Chinese way of living created an inconvenience for residents in their everyday life. As mentioned earlier, residents, for example, hung their laundry to dry on playground equipment and balconies. The "chaotic use of space and equipment by the residents was seen as a disappointment by the planners. The planners' diagnosis of these problems was "a lack of proper management and a lack of education." (Interviews in '84 and '85)

These problems of the chaotic use of space were not seen as often in the military sites because they were watched for "violations" and more importantly because they had more space. Perhaps most important of all, when the planners worked on military sites, they altered the design based on what the residents wanted; for instance, they built units of 34 ping instead of 24 ping per unit and attached iron-bars to the windows.

As memo #2750 from the MOI to local agencies on November 2, 1979 indicated it was acceptable to have temporary removable iron bars on top of the flat roof, according to article 2 of the Architecture Law. However, in the regulation for the design of public housing, article 56 clearly states that there can be no iron bars on top of public housing roofs and open space. (MOI memo # 2750, November 2, 1979, Article 2 of the Architecture Law, article 56 of public housing) In other words, public housing required tougher regulation in design than general housing. Specifically concerning illegal expansion, the MOI delegated authority to the local housing agency with a general mandate to be tough on it.

Any alteration, expansion, or repair after completion of public housing should be applied for to the local housing agency with specified drawing for approval. (MOI memo #828625, Jan 25, 1979: translated.)

In fact, much illegal expansion, particularly drying areas and iron bars attached to windows and expanded space, was plainly visible when I visited housing sites in 1984 and 1985. In spite of the strong words in the Public Housing Act concerning illegal expansion and repossessing housing that was altered illegally and the tough guidelines from MOI, the local agencies

dealt with this matter quite interestingly. Each site had management staffs collecting fees and maintaining the site. The staffs made a record of who expanded what. However, this record was kept by the management and was not followed by legal action of recapture. One staff person put it this way: "As long as you do what others are doing, there is no way that you can be punished." (Interview with K. Liu in July 5, Shinju county 1985)

4.3.2.6 What the planners overlooked

The concept of metropolitan planning was not carefully reviewed and implemented. A commuting time of one hour was not popular in Taipei, unlike Seoul and Tokyo. Other infrastructure, such as , the public transportation system, was not reviewed along with the public housing program. Housing was seen as "physical gift" by the government planners in Taiwan but the "gift" was not accepted by the people. The example of vacant housing units--- to the extent of one unit sold out of hundreds of units--- observed during the evaluation trip was mostly outside of the outside of Taipei city, but within the Metropolitan area, particularly Taoyuen Hsien. The design ideas of planners and the constraints on land created high-rise apartment buildings and a lack of concern for location. These factors contributed to vacancy rates. The high vacancy rates were further elevated by the fact that the public housing units were not convenient to live in for most of the residents. The problem of acquiring land was increased by the criteria of building 100 or more units in one block.

4.3.2.7 Administration of Public Housing Policy and Implementation

The top-down inquiry by the political forum to solve the problem formulate as "shortages" was shaped into building high-rise apartment buildings by the planning forum using the Western model for building design. The solution to such problems as constraints on land purchase and use, "green space", and "floor area ratio" -- the actual implementation of the policy-- was left to the administrative forum in the streamlined form of the public housing agencies, namely the public housing departments at the central and the local levels.

4.3.3 The Obstacle: Land

Purchasing land so that targeted production numbers could be reached became the most critical barrier to the implementation of the public housing program. The reasons are the following:

- Land is a scarce resource in Taiwan to begin with;
- The housing program had to compete for available land with the city and industrial needs, such as commercial or industrial use of a particular land;
- Changes in city planning were not synchronized with land for public housing and did not adequately reflect the need for land for public housing;
- The Housing Act of 1975 specified that a site had to be bigger than .2 ha to be considered as public housing site; and

- The adoption of a super block concept by the planners and architects prompted the housing agencies to look for bigger sites.

Even after finding land for public housing, acquiring it was another problem. In the case of the Shin-Kang community in Taichong county, the community would not allow land belonging to the community to be used for public housing by the county government. The county's housing agency asked MOI how to deal with this problem. MOI's response was:

Article 5 of the public housing act clearly spells out the priority usage of public land for public housing. The limitation specified in the Land Law does not apply to this case. Even the Land Law is applied to this case, article 4 of the Land Law spells out that land belonging to the community is considered public land. In any case, the land belonging to Shin-Kang community should be used for public housing. This is an operational problem [rather than a legal problem]. Therefore, the county should find a way to persuade and negotiate with the community. (Translated from MOI internal memo, #783195, May 19, 1978)

The espoused policy of giving priority to land use for public housing did not solve problems in acquiring land. Particularly, when there was competition for land from other uses, such as industrial use, deciding how the land would be used became more than a problem of interpretation of the Public Housing Act or city planning law or the land law. In fact, in some cases, after land was purchased for public housing, the city land use plan had changed the use of a particular parcel of land from residential to industrial use and the land had to be sold back (MOI memo 777811, April 10, 1978). Therefore, the problem of acquiring land became a critical one that the local housing agencies could not solve easily.

4.3.4 The Solution: Joint Venture

Obtaining land became the critical factor in getting public housing built and was perceived as a problem beyond that which a local housing agency could solve. Although the PHA specified the priority in getting land for public housing, it was beyond the housing agency's capacity and its political power. As a result, the responsibility for obtaining land shifted from the housing agencies to the mayors and Hsien (County) leaders. When it became obvious that they were "not achieving the goal" (CEPD, 1982), the heads of the local governments plunged into the work of getting land for public housing. For example, mayor Teung-hue Lee of Taipei found a way: a "joint venture " with the Department of Defense.

Mayor Lee Teng-Huey and Minister Kao Kuei-yuan agreed to launch a project called "redevelopment of the military dependents' village." (Interview with R. Chang, July 1985) The photos in the government report of the project show minister Kao, general Soong Chang-chi, General Cheng Wei-yuan, and Mayor Lee, inspecting a model of the site and visiting a military site as a public housing project in 1981.

The joint venture concept had not been created by Mayor Lee. In fact, it had been practiced by the private sector in a very similar way. Often, if a private developer could not find land, he developed housing with a landowner. For example, Mr. Cheng owned a four-story building. The developer Hsieh joined him, and they expanded the building to six stories. Upon completion of the building, Cheng owns up to the fourth floor and the developer Hsieh owns the fifth and the sixth. (Interview with S. Cheng: July 8, 1985)

In the joint venture between Taipei City and the DOD, the DOD offered a military site and the local housing agency redeveloped it. Throughout 1981, 39 military villages out of 178 in Taipei were redeveloped as public housing projects. (Data from Kuo, 1982) As a result of the joint venture, the problem of land acquisition was eased and the city contracted 11,365 units for public housing, which was 49.4% of the total target of the six-year program in one year, 1981. Examples of the joint venture projects were the Chu-Kuang and Cheng-kung projects.

4.3.5 The Role of Planners in the Joint Venture.

Having solved the problem of acquiring land by joint ventures with the DOD, the planners' work was to redevelop military villages. Unlike other projects, the planners faced a challenge from the residents. For instance, the residents challenged the design, size, and even the prices of the units. Compared to other public housing projects, the joint venture projects had uniquely vocal residents and added more constraints in the design, size, and prices of units.

As a result, the housing agencies violated the regulations of the Public Housing Act of 1975 and the planners' notion of "good " design for low-income families in the following ways:

- The size of a unit changed from 12, 16, 20, 24, 28 to 24, 26, 30, and 34 pings. (one ping is equal to 3.3 square meters)
- Iron-bars, considered "slummy," "ugly," and "unsophisticated" by planners and architects, were attached to the windows at some sites.

- Housing quality was up-scaled by using more expensive materials such as better tiles and wall papers. (Note: Tien-tai Chang, then the Director of Housing Dept. of Taipei wrote in 1981 that "The housing quality has improved." (The Housing Report of Taipei City, 1981, p.4: underline is mine).
- The clients for public housing became mostly military personnel--retired or employed.

These changes are important: a change in size clearly violated the PHA regulation concerning the size of a unit, which specified" that it "should not exceed 28 ping." The regulation was revised to accomodate the changes. (revised PHA, 1982.)

Changes in exterior design were made primarily because of concerns regarding security, the practical extension of space, better quality material. All of these measures would raise the cost, which in turn would raise the price of unit. Most importantly, the change in the target group from the low-income group to the middle-income group was a violation of the original intention of the planning and political forums.

4.4 The Evaluation Period Revisited

4.4.1 Asynchronized Transition

The public housing program was being carried out with a goal-driven strategy in a resource-limited environment. The game was focused on building housing units to achieve the target numbers while coping with lack of land.

Taipei City set a successful example for other local governments in achieving the target. On July 27, 1981, the premier of the Executive Yuan, visited Taipei City and commented:

The achievements of the housing program has been the best work completed by the Taipei city government

Mayor Teung-hei Lee explained and interpreted the premier's comments on July 29, 1981 at the internal review meeting of public housing at the Department of Housing as:

He [The premier] noticed that the accomplishments far exceeded those in other cities. The mayor went on to advertise the success story in other communities. On August 10, 1981 at the conference on urban management, he made a speech to an audience of mostly college professors:

In the past few years, the development of housing in Taipei has rapidly advanced. We had a serious problem in land acquisition. However, the city government has made very rapid progress in housing construction. This progress can be explained as reflecting the determination of a city government and the effective setting of strategies for managing housing problem in a

city. (Quoted and translated from p.3 of report on public housing, Department. of Housing of Taipei City, 1981)

4.4.2 The Shift

The transitional event that brought about reformulation of the housing problem revolved around the national report on public housing presented on August 19, 1981 to the president as an evaluation report of the public housing program.

The discussion among the political, planning, and operational forums on this report is transitional because, first it summarized what had been done to implement public housing plan the forums had formulated, agreed, and espoused to do; second, this report revealed the differences among the three forums in the way they identified problems.

The report was prepared by the planners at the provincial government and was presented by the governor of Taiwan province, Kuo. The following is a brief description of the contents of the report and of the discussion among members of the planning forum in response to the report. This description reveals how some information was treated within the planning forum and how they inhibited its communication to other forums.

The report evaluates the public housing program and suggests the program's future directions. The main points of the report includes describing types of dwelling units in size, - - 12, 16, 24, 28 ping - -, constructed by the work of 1,103 personnels of public housing organizations; central 11; province 1,690; Taipei city 58; and the other cities and counties 181.

More importantly, the evaluation of the implementation of public housing compares the local cities and counties from 1976-1981 (note: 38,268,000 units were produced.). Taipei City achieved the highest implementation rate 104.32%, 23,944 units constructed out of 23,000 units planned; and Kaoshiung City accomplished the second highest result, 82.04%, 9,930 units out of 12,104 units planned; and Taipei county produced the lowest rate, 16.92 %, 988 units (16.92%) out of 5792 units planned.

A number of points need to be made here. The national report in 1981 appears to be consistent with what the program was set up to do, yet it did not include any problems detected or discussed by the planning forum. In terms of evaluating the performance of local governments, the criteria were kept consistent as to what was specified as a goal: building more. In addition, the report was very general and the data were incomplete. Moreover, the standardized sizes of the units were reported as 12, 16, 20, 24, and 28 ping. In fact, units of 30 and 34 ping were built for the military sites. Moreover, the abstraction of numbers under general titles was misleading and did not convey a precise picture of what had been implemented and how implementation was carried out.

In fact, some planners at CEPD, MOI were aware of the surprising vacancy rate, 12.8%, from the national housing census in 1980 and the fact that the local governments had been having hard time selling what they had built.

The high vacancy rates in the private housing stock and the new problem of sales of public housing were known to the planning forum. They

were confused by the two sets of information, yet the planners kept the confusion within themselves. The reason might have lain in the fact that the political forum has authority over the planning forum and the *life of the public housing program*. Therefore, it was particularly difficult for the planning forum to communicate across the forum. Within the planning forum, however, the information flow was rapid, partially because the planners know each other very well through informal gatherings such as playing tennis or having lunch or dinner. Chen described the informal network among the planners as being "just a phone call away." (Interview in June, 1985)

The planners have been selected through entrance exams for schools and public positions and educated and trained domestic or abroad. They have connections based on school or work places. Particularly, the CEPD has been an institution where most of the key planners at the local or central government levels have worked before. Most of the politicians, however, have quite different networks from the planners'. Therefore, bringing up confusion or problems was not an easy job between the two forums.

Although the change of focus from producing public housing units to selling and managing the vacant units was well received in the planning forum, this change was not understood by the political forum. Both the planning and political forums had created the objective of producing public housing units during the Gestation Period (1968-1975). The political forum had not been exposed to the vacancy data and the planning forum's initial interpretation of them, so that when the national public housing report was presented to the President in 1981, the attention was still on the production

of public housing units and vacancies were not identified as an important problem.

4.4.3 The Central and Local Governments

During the Centralized Planning Stage, the three-tiered housing agencies -- central, provincial, and local-- implemented the public housing programs. Despite the difficulty of acquiring land, the public housing agencies produced 58% of the units they planned to produce. In 1980 and 1981, the local housing agencies began to find that public housing units were not being sold very well. When the central housing agency learned of the inadequate sales, their initial response was to describe the situation as a motivation problem. The central agency felt that the local agencies were not working hard to sell the public housing units, because "the public housing program was not their private business" (Interview with Mr. Lee and Fong CEDP, July, 1985).

The different focuses of the questions asked by the central and local governments reflect the differences in the ways they were thinking about and responding to the difficulties and problems. The changes in their focuses reflect their issues and their agendas for problem-setting, which in turn characterize their solutions to the problems identified. The central government's questions were initially focused on checking what they thought to be "irresponsible" and "lazy" performance or ineptitude by the local governments. These questions are based on their perspective on implementation of the public housing program as a "control" mechanism through which their original plans are to be implemented in a streamlined

fashion. Their evaluation of the local governments' performance may be an attempt to locate responsibility for the unexpected results from the public housing programs.

The local governments, on the other hand, raised questions concerning ways of getting the identified problem solved. For instance, how can we sell more? Since the attention of the central government had been shifted from production to sales, the local governments were thinking and responding to the newly discovered objective of the program in terms of how to solve the sales problem. The way the local government perceived the implementation of the public program was based on their view that the implementation of the program was a faithful translation of the policy the central government had designed. The local government focused on the goals that they were asked to achieve.

The evaluation period (1982-present) began with an increasingly disappointing public housing sales record and a high vacancy rate(12.8%) for housing in general indicated by the 1980 census. The following is the series of questions that were addressed during the Evaluation Period. These questions became increasingly more general over time and eventually involved the fundamental issues of housing policy: "Why aren't the houses selling well? What went wrong? How can we sell more? What's going on in the market? What is our housing problem? Do we need public housing?"

4.4.4 The Vacancy Problem Framed

Despite the efforts to increase the sales of the units by the local agencies through more active advertising including commercials on TVs, the vacancies seemed to continue throughout most of the counties and cities. When the Housing Census of 1980 (which was published in June 1982) showed a nationwide housing vacancy rate of 12.8%, both the central and local public housing agencies responded that "the vacancies not only the problem of the public housing sector" (Interview with I-Ho Lin, MOI). Although the public housing program was operated within the government's administrative boundaries and the eligibility for application for the public housing units was defined, when the public housing units were put onto the market for distribution, their sale was beyond the control of the public housing agencies. These agencies began to realize a need to balance supply and demand and the marketability of the units as well as to maintain the original design of the public housing policy. The notion of the public housing program as a tool for "social welfare," which is specified in the Public Housing Act of 1975, began to shift its actual meaning. The housing agencies began to realize that public housing would have to compete with the private sector, as well; and the clients began to see public housing to be, like private housing, an opportunity for investment in real estate. Therefore, in terms of housing sales, the line between the public and private sectors began to be less distinguishable.

The public housing agencies realized that they had a new problem, "vacancy." Framing the problem as "housing vacancies" was not simply an escape from the responsibilities for the unexpected low sales of the public housing units. The term was also a reflection of the awareness developed during program implementation, which zeroed in on the inescapable reality of public housing as a part of the whole housing and economic system to begin with. This awareness also encompassed the fact that housing was interconnected with other infrastructures such as transportation, and with higher level plans such as the regional plans. The housing agencies, particularly the central agency, began to believe that: 1) the public housing was part of the whole housing system and, as one kind of housing unit available to home-buyers, was affected by market forces that resulted in a low rate of housing sales in general; 2) planning and implementation of public housing programs needed to be linked with the dynamics of related factors influencing decisions made by home-buyers. For example, a home-buyer first would compare possible housing units, both public and private ones, and decide among them. Second, a buyer would make an investment decision beyond a purchasing decision to buy a physical shelter for their family.

4.4.5 The Responses to Vacancy

The central housing agency suggested stoppage of building housing units, but the local government did not stop building. The local planners were squeezed between the central planners and the mayors and governors: the central planners tried to manage the public housing program by producing less, but the local politicians managed the overall image of the local government by producing new public housing units. The number of housing units owned by a prospective buyer was no longer a sales criterion; prices were cut by reducing the work on the environment of the public housing sites, for example, by eliminating features such as playgrounds and trees.

4.4.6 The Results

In spite of the decision to decrease the number of planned and modified housing units starting in 1982, the number of newly-built public housing units increased yearly up to 1985. The reasons for this increase were: (1) The process was not monitored after the implementation of the old directives had begun and the momentum of the building process was increased by the expansion of the established public housing organization, in which there were 1,000 government employees working in 1982. (2) It took two to three years from the announcement of construction to the completion of public housing units. However, the central government seemed to recognize that despite their newly planned goal of reducing the number of units, that there was a surplus of housing. The primary evaluation criterion set by the central government for the local governments changed from building more to

selling more. The case of Taipei Hsien was a good example. It used to be one of the worst performers among the public housing agencies, but it became one of the best agencies, because the evaluation criterion changed. They were good at selling the little they had built.

4.4.7 The Discussion Opened

The following is the series of questions that were addressed during the evaluation period. These questions became increasingly more general over time and eventually evolved as the fundamental issues of housing policy: Why aren't the houses selling well? What went wrong? How can we sell more? What's going on in the market? what is our housing problem? Do we need public housing?

NOTES

1. Singaporean public housing started in the early 60's and was carried out mainly by the Housing Development Board. In the early 60's, the emphasis of their policy was "to provide flats as cheaply as possible at maximum density acceptable socially." (Thai-ker Liu, Public Housing Policy in Singapore, 1982: 25) Bukit Ho Swee and Queens town are examples of public housing projects.

In the late 60's, neighborhood development was experimented with on satellite towns, i.e., Toa Payoh new town. In the early 70's, design guidelines and planning standards were formulated. Ang Mo Kio and, Bedok and Clementi are examples of satellite towns. Singaporean public housing has evolved from building low-cost flats (1960-65), to neighborhood development (1966-70), to new towns with design guidelines (1971-75), to precinct-based development (1976-80), and to community development (1980's).

2. The statistics compiled by the Council for Economic Planning and Development, 1984, show the following:

- i) That the number of residential units constructed was "estimated by the MOI." from the building permits and permits for non-residential buildings, which were compiled in floor area (unit: ping) not in individual unit numbers.
- ii) The total floor area for "residential" units had been "estimated since 1981."

CHAPTER 5

INSTITUTIONAL LEARNING

As illustrated in the earlier chapters of this dissertation, the Taiwanese public housing process has undergone changes. This chapter explains how we can understand the changes in the context of institutional learning. First, I will recapitulate the Taiwanese Public Housing Process, emphasizing the mismatch or gap between the goals of the policy and the results; second, in order to explain this mismatch, I will present a model of institutional learning in the Taiwanese Public Housing Process.

The global problem shifted from housing shortages to housing vacancies; the program began with the intention of inspiring and leading the private sector and ended up imitating the private sector; the program originated for the purpose of sheltering the poor and low-income families but ended up by serving middle-income groups.

5.1 The Dialogues

In order to explain these shifts in reference to institutional learning, we need to analyze the characteristics of dialogues *within and among the forums* - - political, planning, and operational - - and the dialogues *among the different levels of the government*. First, the objectives of the program were transformed by each forums' search for immediate goals through *problem-setting and problem-solving processes* as it was transmitted from one forum to another. Second, each forum put its own stamp on the public housing program in an effort to gain control over the program; it was *politicized, professionalized, and operationalized* over time. Third, the *incongruity between the espoused policy and the policy-in-use* of each forum became an inherited characteristics of the dialogues. Fourth, *disjointedness* of the dialogues across the forums truncated and transformed the link between the error-detection and error-correction processes; one forum detected errors, but another corrected them with responses that reflects its, rather than the error-detecting forum's needs and pressures.

5.1.1 The Dialectical Process of Problem-Setting and Problem-Solving: The Forum as a Learning Site

The following model is formulated in order to illustrate the basic scheme of the process that generated mismatches between what the government intended to do and what it actually accomplished. The model explains the prototype of how problem-setting and problem-solving shifted and how the concepts were transformed as they transmitted through the forums (Diagram 5-1).

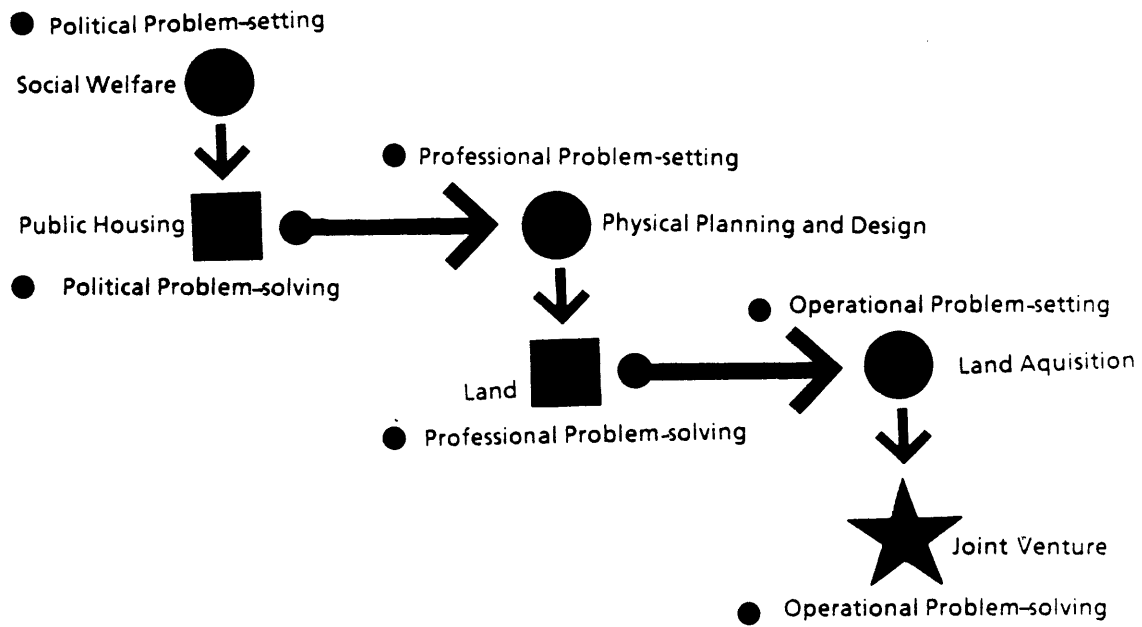


Diagram 5.1 : Problem-setting and Problem-solving

Within the political forum, the initial problem was assessed as a lack of "social welfare" (PST 1) credentials. This notion of social welfare played a major role in shaping the public housing policy for low-income groups. As the notion of "public housing for social welfare" (PSL 1) was passed on to the planning forum, the focus of the public housing process became the "physical planning and design" (PST 2) of public housing. Consequently, appropriate planning and design ideals for low-income groups were sought by the planners, and solutions were focused on the design guidelines for "physical development" (PSL 2). Once the "physical development" notions were pipelined to the operational forum, practical difficulties in getting land for public housing arose and reshaped the problem. The operational forum crystalized the problem as "land acquisition" (PST 3). Naturally, the problem-solving efforts for this particular problem hinged on finding a method to obtain land for development, such as through a joint venture (PSL 3).

Each time a problem transmitted to a different forum, the problem-setting and problem-solving processes took on the characteristics, biases, and needs of the forum.

At the beginning of the program, the new administration of Chiang Ching-Kuo wanted to appear to be responsible and to exhibit strong leadership, and to launch a bold and sound policy that would unite the people and win their support and loyalty and bring them into the government's fold. In order to secure the support of not only Chiang Kai-Shek's old supporters, but also of the opposition and the newly emerged

leading group, the new administration needed to promote public programs that seemed to benefit constituents. The public housing program was one such program.

Chiang and his Executive Yuan advisors were learning how to solidify his political position in the face of the U.S. policy toward China, Taiwan's relationship with Japan, and internal political turbulence. Launching centralized public housing was Chiang Ching-Kuo's survival gesture. It was the political forum's concern about solidifying Chiang's political position that induced them to seek to use housing as an instrument to solve that problem. Nevertheless, the political forum had a measure of genuine concern for housing the poor, which was compounded by urbanization.

Chiang and his advisors responded to Taiwan's political unrest during the Gestation Period by initiating the public housing program; the program was also intended to correct Chiang Kai-Shek's neglect of social welfare. Chiang Ching-Kuo's administration, his opposition spoke for the poor, who had been traditionally underrepresented; the opposition then, in a sense, gave Chiang Ching-Kuo social welfare as an issue.

The Executive Yuan decided that housing could be the instrument for solving the variety of social and political problems facing Chiang. The political forum asked the planners to prepare a method for developing public housing. The planning forum accepted the task and supported it with an estimation of a wild shortage. For the planners, this was an opportunity to promote their profession. In the course of using housing as an instrument, the planners provided the rationale that a housing shortage existed, and,

that moreover the private sector was ill-equipped to provide housing for the poor. In addition, the super-block concept and the Singaporean precedent were incorporated into the Taiwanese public housing program. In other words, they learned from the outside experience, not from their own .

At the same time, orderly procedures of construction and distribution were needed as an example to influence the private sector, particularly the ever-increasing informal and sometimes disreputable housing construction companies. During the Gestation Period, the planning forum believed that it should and could induce the private sector to adopt business practices that protected home buyers; it set itself up as a model for the private sector by standardizing the design and implementation process of public housing. The public housing program would produce moderate housing units for middle-income families. The planning forum believed that this could be a way to protect home buyers from unjust contracts created by "presale" and "joint venture" schemes devised by the private developers and the housing industry. Selling housing units with standardized features, using codified procedures, and providing financial support constituted the characteristics of a model case. It is important to note that most of the housing experts in Taiwan were either architects or economists. Their professional training led them to focus on the physical aspects of the public housing units after the economic problem of providing funding public housing had been settled. The professionalized public housing program became an opportunity for the planners to design and build high-rise apartments.

In planning the public housing sites, the planners adapted the super-block site to show private developers that efficient land use could be achieved

by combining high-rise apartments and open space for greenery and playgrounds. However, planners learned from the private developers that the location of the housing sites played a major role in how rapidly they could be sold. Despite their understanding of the importance of location, the planners virtually ignored it and concentrated on the physical aspect of housing units, the target number of units to be built, and other procedures of public housing. Unlike the private developers, who did not have to build if they could not find suitable locations, the production system had to operate continuously.

The government intended to be a leading force in housing development, but its actual experience was pragmatic; the government changed objectives and methods in order to achieve immediate goals rather than policy objectives. For example, after conferring with prospective clients, the planners altered the designs that had been agreed on in several joint venture projects: instead of designing "good" public housing as they claimed, the planners followed the clients' preferences.

During the Centralized Planning Stage, the program was launched and exhausted its initial resources, particularly land. The public housing agencies now faced problems similar to those of the private housing industry and of both formal and informal housing developers. It became difficult to acquire large sites to build public housing units. Moreover, the central government's evaluation of the public housing program at that time was based on efficient goal achievement, that is, on the number of units the agencies built. The local housing agencies' performance was evaluated by both the central and local governments. In other words, there was pressure

from mayors and governors to build more housing units because the number of units was perceived as a political index of the administration's efficiency and its concern to the upper layers of the government for the housing problems facing their constituents.

Acquiring land became an increasingly difficult task for the local governments. In order to ease the difficulty, they engaged in a joint venture with the Department of Defense. On the one hand, this alliance made it virtually impossible to target the original group -- the low-income families -- because the housing sites had originally been used by the Department of Defense as a site for housing military personnel. After the new housing development was completed, the land would be returned to the Department of Defense. On the other hand, launching the joint venture increased the apparent productivity of the public housing program merely because more housing units were built. In the city of Taipei, most of the housing units constructed during 1981 and 1982 were actually rehabilitated housing sites of military personnel and their families. In 1983, the evaluation reported to President Chiang showed that Taipei had the best performance in the public housing program and had surpassed the number of housing units set as the goal by the public housing plan.

5.1.2 The Dominant Forums

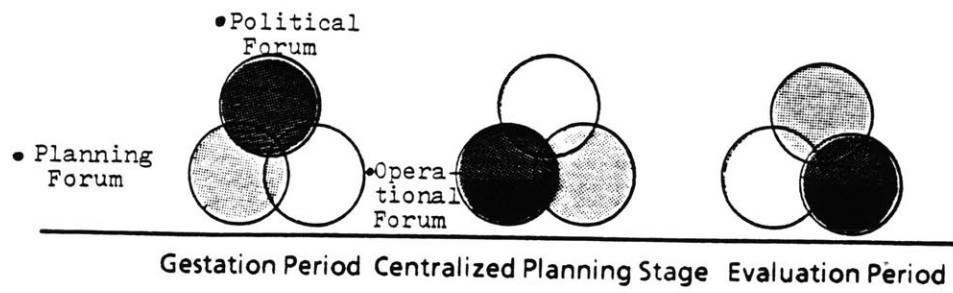
This transformation process of problem-setting and problem-solving reveals the major forces that interacted with each other behind the task of public housing. This process reveals how the public housing programs were *politicized, professionalized, and operationalized* over time. The political forum, which interacted mainly with the planning forum, which interacted mainly with the operational forum, was the major force behind the first contradictory concept; the planning forum was the primary vehicle, behind the second; and the operational forum, which interacted with the political forum was the principal medium, behind the third. (Diagram 5.2)

5.1.3 The Incongruities between Espoused Policy and Policy-in-use

In order to examine the espoused policy and policy-in-use of the public housing program, we must examine what the government stated to do and what the government was actually doing. The incongruity can be recapitulated by two contradictory themes that the three forums framed: housing shortages and housing vacancies.

Under the rubric of these two problem formulations, three pairs of contradictory concepts have been fundamental to the structure of the historical stages and periods of the Taiwanese public housing process: (1) social welfare versus political self-defense; (2) the government as the leading force in housing development versus the government as a subject of market forces; and (3) the government as a coherent system versus the

Diagram 5.2 The Dominant Forums



government as a system consisting of those who are at the center and those who are at the periphery. As explained earlier, the public housing program was launched as a tool for social welfare, that is, its goal was to provide housing for the poor. The incongruity is rooted in the contradiction between the espoused policy intention and policy-in-use. The contradiction was revealed in changing the target income group from the low-income group to the middle-income group. The public housing program became a tool not for social welfare but for gaining political stability. The government felt it had to create housing for the poor because it wanted to win over popular support and because it did not consider the private sector to be well-equipped for this task. When the government implemented the public housing program, the criteria for eligibility and housing loans clearly show that the intended purpose of using public housing as a tool for achieving social welfare was not well-grounded. The Public Housing Act specified that the requirements of eligibility needed to be formulated, but the task of formulating them was left to the "adequate housing authority." Before the Department of Housing and Planning of the Council for Economic Development tried informally and internally to set up eligibility guidelines, no action had been taken. The council based eligibility on income level and the affordability of public housing, with the following results: in order to apply for a public housing unit, (1) one had to have a family, (2) the family could not already own a house, (3) the family had to have lived in a particular city longer than six months, and (4) the family income had to be higher than NT \$49,000 per month, which is equivalent to the income for a full professor at a private university in Taiwan. These criteria constituted the policy-in-use, which was the hidden reality of the housing program.

The eligibility criteria accommodated the general goal of providing housing for the public but did so within a framework acceptable to middle income families. In fact, the central public housing agency did not make establishing eligibility criteria a priority during the program's initial years. However, after the policy was implemented, the central housing team faced considerable pressure from the housing experts in universities and the mass media, although there was no clear consensus on the need to set up income levels for eligibility. As a result, establishing detailed criteria for eligibility was left to the local housing agencies. The local agencies decided that a moderate-or low-income family who did not own a house and have lived in the administrative area for longer than six months would be eligible for public housing.

The public housing program seems to have been the administration's political self-defense program in the guise of a program of social welfare for the poor. The planners' professional standards for public housing seem to have dictated the kinds of product which were not within the low-income families' affordability. The "crash production" of public housing units occurred just before the public housing program was evaluated at a time there were problems selling the units, it appears that local operational forum was producing units in order to respond to their own pressure of meeting the target numbers. The following tables show the espoused policies and policies-in-use of each forum, which sometimes acted incongruently and sometimes in concert. The incongruities between the policies became inherited characteristics of the dialogues among the forums and between the central and local governments. (See Tables 5.1, 5.2, and 5.3)

Table 5.1 The Political Forum: the incongruity between espoused policy and policy-in-use

Espoused Policy	Policy-in-use
<ul style="list-style-type: none"> ● To improve living conditions according to the Three-People's Principle ● To improve social welfare policy ● To make bold reforms in policy ● To shelter the poor and middle- income families 	<ul style="list-style-type: none"> ● To do something about housing, a practical reality ● To gain political support and minimize opposition power ● To minimize the uncertainty about the success of public housing by emulating the Singaporan precedent ● To demonstrate that Chiang Ching-Kuo, unlike Chiang Kai-Shek, cared about people's lives ● To show the nation's capacity when China became close to the U.S.

Table 5.2 The Planning Forum: the incongruity between espoused policy and policy-in-use

Espoused Policy	Policy-in-use
<ul style="list-style-type: none"> ● To develop an example for the private sector to follow ● To improve housing technology ● To improve housing conditions ● To shelter the poor 	<ul style="list-style-type: none"> ● To promote and expand the planning profession (visibility within and outside the forum) ● To experiment with new technology and to make the public housing program a showcase ● To design stylish and monumental housing ● To guide the residents how and where to live.

Table 5.3 The Operational Forum: the incongruity between espoused policy and policy-in-use

Espoused Policy	Policy-in-use
<ul style="list-style-type: none"> ● To achieve the goal of the public housing program ● To improve the local community ● To shelter the poor 	<ul style="list-style-type: none"> ● To obtain better evaluations from the political leaders in the central government ● To win political and economic rewards in the competition with other local governments ● To gain support from local constituents

5.1.4 The Disjointed Dialogues among the Forums

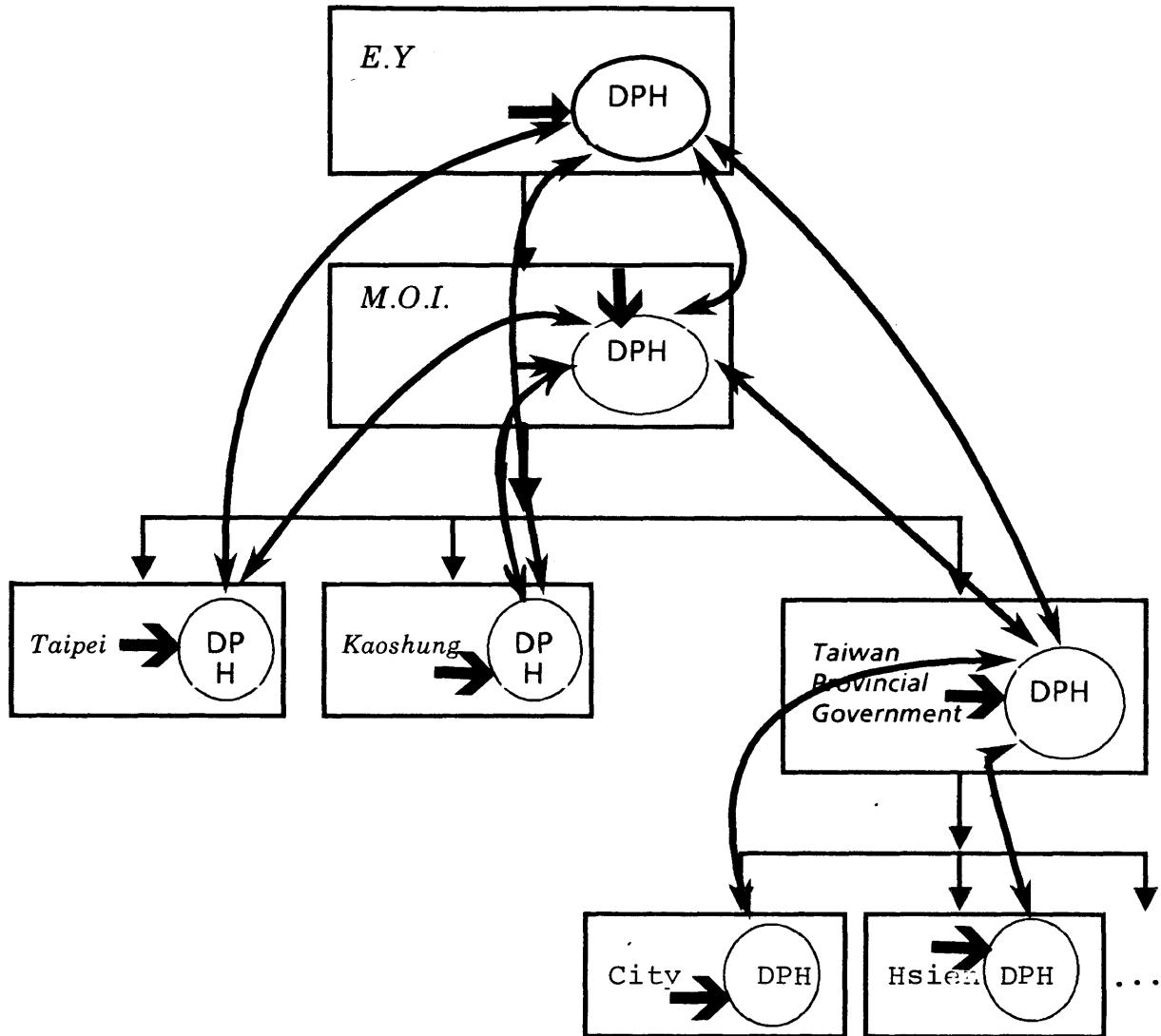
During the Gestation Period, dialogue flowed mainly from the political forum to the planning forum, which generated the centralized public housing program. Decisions were made by the political forum within the specific socio-economic and political context of Taiwan and Singaporean precedent serving as a stimulus. The dialogue between the political forum and the planning forum was an authoritative exchange of decisions and ideas. The political forum made decisions, and the planning forum received and rationalized them. The political advisors to Chang Ching-Kuo, the Executive Yuan, and the planners in the universities were the major participants. The dialogue was a disjointed, yet a cooperative one in which the housing problem was framed and the Housing Act of 1975 was prepared.

The Centralized Planning Stage consisted mainly of the dialogues between the planning and the operational forums, where issues related to public housing were formulated and exposed, such as eligibility, loan conditions, the target population, and production goals. The planning forum dictated the notion of appropriate design and planning by adopting the super-block concept, restricted land use, and a technology-driven construction method. These adaptations excluded communications between the clients and the planners and eventually resulted in producing high-rises, and prefabricated apartment buildings for middle-income groups, which in turn, (1) helped to deepen the mismatch between what residents wanted and what housing agencies built, and (2) increased difficulties in obtaining housing sites large enough to accommodate "super-block" housing. The exclusive communication within planning forum during the Centralized

Planning Stage helped to slow sales in housing units, which in turn aggravated the high vacancy rate.

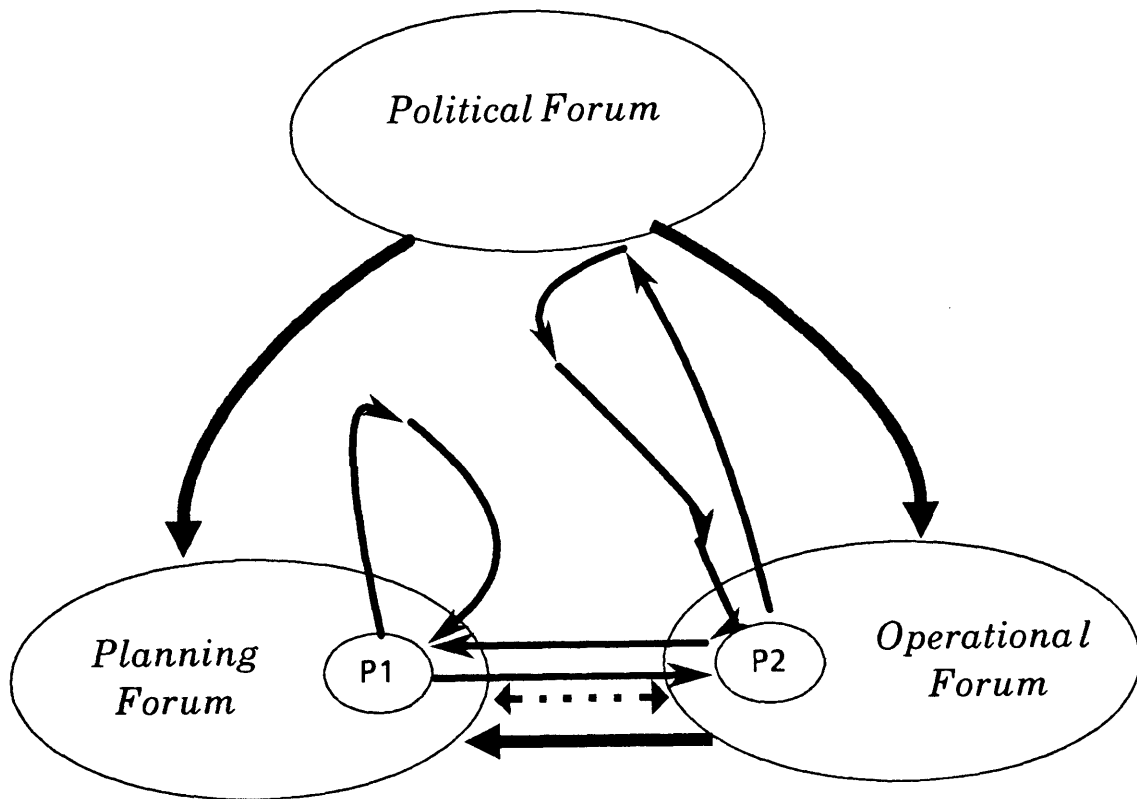
A typical example of disjointed dialogues among the forums can be found during the Evaluation Period. When the planning forum noticed the "error" in trying to build more when the vacancy rate was high, the operational forum did not react positively to the planning forum's guidelines to stop building. The evaluation by the political forum pushed the operational forum to reach the targeted numbers of units of housing as far as they could achieve. Achieving the target given the difficulty of land acquisition created the conditions that led to the joint venture. In the joint venture projects, the design and the size of a unit were changed to meet the residents' demands, which led to revising the Public Housing Act to accommodate the changes.

The work-related dialogue and the power-or authority-related dialogue were in conflict and disjointed. At the local government level, the Department of Public Housing was in limbo during the Evaluation Period. The department was getting two different signals, one from the central planning forum, which suggested that building housing units be stopped until the problem of selling the stock was solved; the other came from the mayors and Hsien leaders, who urged the department to build more. The former signal was a professional suggestion directly related to the attempts to reduce the vacancy rate, in other words, to reduce the unsold housing stock; the latter signal was an authoritative suggestion sparked by the fact that the provincial government was preparing a report evaluating the local governments' performance in the public housing program. Moreover, the



E.Y.: The Executive Yuan
M.O.I.: The Ministry of the Interior
DPH: Department of Public Housing

Diagram 5.3: The Disjointed Dialogues I (Among the Levels of the Government)






- P: Policy inquiry
-  Transmission of an inquiry
-  Power-related dialogues
-  Work-related dialogues

Diagram 5.4: The Disjointed Dialogues II
(Among the Forums)

central planning forum did not communicate with the political forum about the problematic low sales at the initial stage, because the planning forum wanted to maintain its professional turf on public housing program and to reduce a possible stoppage of the whole program by the political forum.

At the local level, a conflict arose between the mayor's group and the public housing group; it was a conflict between bureaucratic authority and expert advice. As it would be in other cases, authority overrode expertise, because the local public housing group's career was, in most part, under the control of the mayors and Hsien leaders, whose career was mostly controlled by the central political forum. As long as the central political forum held and imposed the old target to the local operational forum, it was inevitable to continue building in order to meet the original target.

5.2 Institutional Learning in the Public Housing Process

How can we understand all the characteristics of the dialogue that occurred in the Taiwanese Public Housing Process in light of institutional learning? Has institutional learning even occurred? If so, what form did it take?

In order to answer these questions, we must explain the kinds of institutional learning that occurred in the Public Housing Process based on the characteristics of the dialogue in the error-detection and error-correction processes (Schön, 1971, 1974 and 1987).

5.2.1 Temporary Learning

Different actors appeared at different stages and different times in the process. During the Gestation Period, the political forum was the major actor.

During the Centralized Planning Stages, the planning forum was the major actor. During the Evaluation Period, the operational forum was the major actor. The lessons learned tended to be temporary because 1) the patterns of inter-and intra-forum dialogue were often exclusive, protective, one-way, authoritative, and evaluative; 2) the institutional memory that could serve as a common ground for the old and the new was lacking or at least inadequate and incomplete because it presented only simplified version of results, not the process or the problems they faced and solved; 3) error-detection was often done by one group and error-correction by another.

5.2.2 Local Learning

The implementation process of the Taiwanese public housing program was basically one of formulating policies and revising the Public Housing Act of 1975. In a way, in J. Turner's terms, it was not "legislative learning" but "administrative planning." Not all of the procedures and regulations were specified; some were left to the implementors to formulate and design. Despite flexible policy design and implementation, local planners, were not able to detect and correct errors coherently. Why? The answer lies in the

pattern of the link between error-detection and error-correction: it was disjointed. For example, in the vacancy issue, error -detection was done by the planners at the local level and then reported to both the mayors and the planners at the center; yet decisions on the actions for error-correction were made by the mayors. In the dialogue between the local operational forum and the planning forum, local planners fretted over the low sales, but the problem was ignored by most mayors, or else error-correction occurred without consideration for the needs of prospective clients. The local operational forum decided to eliminated some features of the housing sites, which had already been designed for the middle-income group; in turn, the misappropriated design further lowered sales, this time to the middle-income group.

The local planners' questions to the central planners nevertheless produced partial answers yet did not produce effective error-correction. The questions created a dialogue between the central and local planning forum, but they ultimately worked against the local planners. For the central planners suggested stopping buildings to the local planners without having had an open dialogue with the political forum, which in fact had almost absolute power over the local political and the operational forums, particularly over the local mayors and the Hsien leaders, who essentially controlled the local planners' job security.

Therefore, local learning experienced within a forum that is characterized by patterns of exclusive, withholding, blocking, or subsidizing dialogues has a life of its own; its chances of surviving and being incorporated into the global level is almost minimal.

Centralization is often practiced in developing countries, where the centralized system is assumed to produce streamlined and uniform implementation of a certain policy. However, the Taiwan case strongly shows that without *a flow of dialogue*, particularly from the local level to the center, and without a careful *monitoring system*, *centralized planning does not necessarily produce uniform and streamlined, let alone effective, implementation*. Instead, it creates “crash production” just before an evaluation occurs.

5.2.3 Instrumental Learning

Instrumental learning *provides “tools, implements, and devices.”* (Schön, 1987) Errors are continually detected and corrected; instrumental learning automatically presumes the link between means and ends. In the Taiwanese case, inventing the joint venture is a good example of a distorted instrumental learning.

Distorted instrumental learning can result from two causes. First, the *lack of a monitoring mechanism* (Schön, 1987); and second, *the lack of an active and open dialogue among the forums*. Because there was no coherent agency to monitor the overall process in the Taiwanese Public Housing Process, shifts in target groups, eligibility requirements, and development framework occurred. In the absence of a monitoring process, an environment in which suitable for the operational forum can define its own means and ends by default; or else it can devise tools for implementation just to achieve exclusively defined means and ends.

The lack of open dialogue among different forums can be damaging in highly authoritative systems because it inhibits the flow of communication between the local and the central level and, more importantly, among the different groups within an organization.

The exclusive dialogue may paralyze the appropriate function of a forum - - particularly the one such as the planning forum in Taiwan, which is based on professional knowledge or expertise - - because instrumental learning can induce members to produce the tools, implements, and devices that merely deepen inappropriate professionalization. As a result, means and ends may diverge even more widely. At the same time, the lack of open dialogue among the forums can distort monitoring system, even if it exists: the dominating forum may impose its own idea of appropriate means and ends.

5.2.4 Imitative Learning

Imitation of Singaporean public housing development and of western ideals for city design played a different role in each forum. The political forum took the Singaporean case as assurance that such a project could work, as *a feasibility study in the real world*. The planning forum took the Singaporean case and the western ideals as *standards for their profession* and rationalized its public housing plan using those standards

The problem was that the dialogue between the political and planning forums was inadequate. The political forum dictated the order of work to the

planning forum, and the planning forum had to live with the contradictions that developed between its policies and those of the planning forum.

The planners were supposed to work on comprehensive public housing plan, but they were forced to work on a piecemeal version of their original plan and were limited to working on housing units.

Because the Taiwanese public housing agencies did not have authority to work with other agencies, such as regional development and transportation agencies, they were unable to implement any housing plans that included inter-agency cooperation. For example, the planners had to seek the help not of agencies but of mayors in order to acquire land.

A critical difference between Singapore and Taiwan was the amount of authority given to the public housing agencies. The Singaporean Public Housing Board had absolute authority and power to handle the relevant facilities so that the location of housing could be coordinated with job sites and availability of transportation. In Singapore, "housing estates," instead of "housing units," were being developed by the Public Housing Board.

Imitating western ideals had more twists. The traditional utopian planning examples - Le Corbusier's tall buildings and green malls in the city of Tomorrow (1924) and Ebenerzer Howard's Garden Cities of Tomorrow (1899), both of which were the "ABC" of planning education -- influenced planners in Taiwan in a particular way: They not only considered those designs to be more than examples of utopian planning, but also used them to effect the policy changes by Chiang Ching-Kuo's reform administration. Although those utopian notions did not survive the whole implementation

process, and changed over time, they were initially persuasive . *The planners used the utopian approach as the professional standard, worthy of emulation; yet it was used by the planning forum to rationalize the reform administration's decisions and to demonstrate that it was ready to solve the housing problem. The utopian approach was in fact a pragmatic and purposive approach*

5.3 The Taiwanese Institutional Setting

All of the processes were orchestrated within the Taiwanese institutional setting. How, then, were all of the processes , disjointed and transformed, actually orchestrated? To answer this question, we need to know about Taiwan's specific institutional setting, which held all of these processes together.

The fundamental tenet of Taiwanese politics thus far is the acceptance of Taiwan as politically indivisible from mainland China. In other words, Taiwan is one of the provinces of the Republic of China, which includes mainland China; and Taipei City is the temporary capital. This tenet has been tested and challenged by the opposition; any debate on "independence" is still Taiwan's most politically sensitive issue. The "one China" view has remained generally acceptable, and there is a tacit understanding within the government that it is an unimpeachable view.

The KMT, the Democratic Progressive Party (DPP), and the "Tangwai" (independents; literally, the term means "outside of the party") all favor free enterprise and oppose pollution and corruption. The primary concerns of the people are the concept of an "iron rice bowl" - - that is, job security - -

and the traditional concept of "guanshi," - - a personal network or connections. Finally, and perhaps most importantly, Taiwanese pragmatism and an anti-political bias are also important components of the process. The political and popular norms of Taiwan all produced the peculiar method of dialogue and the orchestration that occurred in the Public Housing Process. For example, the joint venture scheme may have seemed like the product of a crusading extremist or selfish zealot. Although the self-interest of the bureaucracy paved the way for the joint venture and for the choice of target group, the scheme was also a product of pragmatism. *It was a politically possible and technically attainable operation*, based on shared values: it was also not prohibitively offensive to the participants in the public housing program. The pragmatism was based on the need to reduce complex problems to a solvable level in the most "effective" and "productive" way. The major distortion resulting from the joint venture was the change in the client or target group from low-income households to military personnel.

Military personnel--retired and working-- are politically important constituents. This group migrated with Chang Kai-Shek from mainland China and provides the basic political support for the leading Nationalist party, the Kuo-Min-Tang . Moreover, improvements in military housing were needed.

Helping the soldiers was not terribly offensive to the participants in the public housing program, as it may have been in other countries because the military personnel seemed not to be better off economically in Taiwan. Their economic status is the result of the separation of politics and economy, which is more sharply defined in Taiwan than in other Confucian

countries, such as Korea and China. That is why, although some of the housing units were assigned to retired high-ranking officers, the joint venture scheme did not spawn street-level debates. Although there were discussions among the planners, it did not go beyond the planners' circle mainly because: 1) *anything political did not have to be discussed, at least not encouraged*; 2) *cross-forum dialogue was not open between the planners and the politicians*; and 3) *the very concern for keeping their positions safe was rather important*. As a result, the planners cooperated in the venture despite their disagreement with the Executive Yuan's direction. Moreover, the Council's political power at this time was weaker than during the Gestation Period when Chang Ching-Kuo was actively involved in the Executive Yuan. Therefore, what the planners at the Council got was not the power to restate the direction or to raise inquiries, but the task of coordinating and advising. Some of the planners understood their role as neither a coordinating nor an advisory role; it was rather a staffing role.

Moreover, regardless of differences in opinion, most officers and planners in the government agencies were members of the same party, which valued its constituents' support. Planners needed to support any planning agenda that would not spawn much controversy. After nearly two decades of seemingly malign neglect of planning, public housing had slowly worked its way back into the national political agenda, a welcome sign for the planners' "iron rice bowl," that is, their job security, which they valued the most.

5.4 Summary

I have explained the shifts that occurred in the Taiwanese Public Housing Process by analyzing the characteristics of the dialogues among and within the forums and among the different levels of the government. . First, each forum put its own stamp on the public housing program to gain control over the program; the program was *politicized, professionalized, and operationalized* over time. Second, the objectives of the program were transformed by each forum's search for immediate goals through *problem-setting and problem-solving processes* as the problem was transmitted from one forum to another. Third, the original *incongruity between the espoused policy and policy-in-use* of each forum became an intrinsic feature of the dialogues. Fourth, *disjointedness* of the dialogues across the forums truncated and transformed the link between the error-detection and error-correction processes. An analysis of the complex process behind the changes reveals that *institutional learning* occurred in the Taiwanese public housing process *within each forum but not across the forums*. The kinds of learning that occurred in the Taiwanese Public Housing Process included temporary, instrumental, imitative, and local learning, but not global or double-loop learning.

6 CONCLUSION: THE EXPLANATORY VALUE OF THE INSTITUTIONAL LEARNING PERSPECTIVE AND ITS THEORETICAL IMPLICATIONS

We began this study by questioning how we could explain the changes in a government, particularly the changes that occurred in the Public Housing Process in Taiwan. We identified several possible theories for explaining the changes: the emergence of a new personality or leader to carry changes forward; political contention that results in restructuring policies and goals; the emergence of a new fashion that is slavishly followed; and the swing of a pendulum from one policy extreme to the other. Each of the theories has some value for explaining the changes that occurred in the Taiwanese Public Housing Process.

A new leader emerged. Chiang Ching-Kuo undertook the reform of housing policy with the stated goal of providing housing for low-income

groups. Political contention during the Gestation Period was the underlying force that pushed the adoption of a new policy into being. The behavior of the planning forum was shaped by the new fashion of super-block housing promoted in Western settings. A pendulum swing can be identified in the shift that occurred from the decentralized management of the housing program to the centralized housing program.

Let us examine the implications of these theories. The theoretical and practical implications for future policy interventions are embedded in any theoretical formulation. Let us explore what these perspectives explain about changes and what they imply about changes in the future. The perspectives identified so far have limitations in explaining the changes that occurred in the Taiwanese Public Housing Process; however, these notions can be incorporated into the institutional learning perspective.

6.1 The Personality Theory in the Context of Learning

Changes in personality or leadership may be important for bringing about policy changes, particularly in a setting where the power for decision-making is exclusive to a certain group in a bureaucracy. From the perspectives of personality theory, the most plausible explanation for policy changes is that changes in leadership bring about policy changes, and an improvement in leadership results in improved policy decisions. However, this perspective does not adequately explain the background forces, the context nor the environment that might have been instrumental in bringing a particular leader to power. More importantly, learning might have occurred behind the changes of personnel, which the personality theory

oversimplifies. For example, the reforms into policy promoted by the new leader Chiang Ching-Kuo may appear to have been simple shifts. But, on closer inspection of all the factors involved, the shifts were the results of a careful process of top-down political inquiry, which had its own way of error-detection and error-correction described in the previous chapter.

The introduction of a new political leader, indeed, effected changes in Taiwan's housing policy. Chiang Ching-Kuo instituted a reform policy in public housing because he needed to prove that he differed from his father Chiang Kai-Shek. He made policy decisions for the future using the lessons of the past in the hope of correcting the errors in his political legacy. He extended the responsibility of the government to the public housing sphere in order to rectify the absence of his father's welfare credentials. Therefore, *beneath the facade of changes in leadership, there were threads of error-detection and error-correction.*

6.2 The Pendulum in the Context of Learning

The pendulum theory explains the *results* of the changes at the global level; however, but it does not explain the *process* of changes. the theory overlooks the local inquiries and reflection, particularly those that failed to bring about changes at the global level. The obvious implication of the pendulum theory is that predicting changes lies in measuring the tendency for a given set of policies to fail: it can predict that there will soon be a change that swings policy in another direction.

The changes in the public housing process in Taiwan appear to range from one extreme to the other. For example, there is clear evidence that the structure of public housing changed from a decentralized to a centralized system. Indeed, these changes seem like swings of a *pendulum*, characterized by a simple version of learning lacking intelligent reflection before the next course of action is chosen. In other words, *the failure was detected, but the errors that led to the failure were not*. As a result, error-correcting is a simple veering away from the previous attempt. This form of learning also seems to exhibit *trial-and-error*, which is a *a process of searching for possibly correct combinations by depending on simple probability*. In other words, *the errors were not detected, but the process of detecting errors may have been going on by eliminating "wrong" combinations*. In the Taiwanese case, at the espoused level, the behavior appears to be pendulum-like; however, at the in-use level, the behavior of the forums in particular included error-detection and error-correction. It took a top-down formal *inquiry to link error-detection and error-correction* during the Gestation Period in achieving changes in policy. However, during the Evaluation Period, bottom-up informal inquiries on public housing were made. Therefore, we can safely say that the kinds of learning that occurred in the Taiwanese Housing Process were more sophisticated than simple swings.

6.3 The Fashion Theory in the context of Learning

The fashion theory can describe how information is transmitted to different locales, but it may not be sufficient for explaining how information

was transformed into the ideas-in-good-currency. It describes a kind of imitative learning. However, it masks the importance of the process by which some ideas are actually used and transformed. Certain changes may look like a result of a popular notion, yet there may be some other critical reasons for choosing ideas-in-good-currency. One drawback to the fashion theory is a danger of applying this notion to describe changes without clarifying who has access to the information, who controls it, and who disperses it. Application of this theory could create a “monster” of idea brokers for certain schools of thought, which again might be controlled by political power games in a society. It may be a starting point for dividing the invention side and the imitation side, which may in fact be a classical power struggle in a political market of information.

The fashion theory can be incorporated with the learning perspective. Particularly the way Taiwanese planners subscribed to Western ideals and the politician’s subscription to the Singaporean precedent was in a way imitating a fashion from the outside, responding to the popular ideas. *Reflecting upon a similar context for a perceived problem may be a part of error-detection. The error was corrected by subscribing the popular ideas or solutions to the problem perceived as similar.* The critical question in this case lies in the link between the error-detection and error-correction. *The link was based on imitation and second-handed solutions.* For example, the political forum in the Public Housing Process perceived the Singaporean case as a feasibility study in a real world. Moreover, the similar Chinese ethnic background in both Taiwan and Singapore might have increased the

probability of being the "right" combination to choose and to be adopted successfully.

6.4 Political Contention Theory in the Context of Learning

The political contention theory explains changes stemming from power struggles and political games played within the environment of the decision-making system. It describes how one group can gain control over a certain area of policy and how a group dynamic can work politically to create changes. However, it seems inevitable to prescribe to play the game better, in other words, how to be sensitive to the power structure and win; it leaves no foreseeable way to improve the process of making changes in policy. This view would maintain that some rational and professional inquiries are incapable of gaining control over the political contention unless they are utilized to rationalize or legitimize the decisions already made. At the same time, in describing the win-lose games of political power, the political contention theories tend to simplify the makings or foundations of groups; they tend to polarize the groups or classes.

The political contention theory would hold that political struggle that results in gaining control of some policy area, which is subjected to the conflicting interests among different groups, can explain changes in policy and development of a certain policy, particularly the legitimacy of state intervention in social policy, welfare, housing, and education (Castells, Harms, Saville). To maintain stability and efficiency, "control" was used to achieve the self-interest of a state and a ruling class. Saville indicates that "--- the stability of society is threatened by dirt, disease and poverty, and the

calculation of changes [underline mine] favorable to general efficiency of the economy--run right through the middle class debates--." (Saville, 1957: 8) In other words, if political contention theory is applied to explaining the changes in and the development of the public housing process, the conceiving the Public Housing Act would be conceived of as a concession from the ruling or dominant class to the oppressed one, in return for the security of the ruling class. Crisis theory explains how political contention effects change by arguing that, in order to maintain political security and economic efficiency without seriously weakening the ruling class's position, concessions must be made in the areas of projects and services for the oppressed class. For example, James O'Connor argues that "social expenses consist of projects and services that are required to maintain social harmony -- to fulfill the state's legitimization function." (1973:7) Several assumptions are implicit in this explanation. First, it assumes that the political ruling group and economic ruling group are interchangeable, at least, that they constitute a homogeneous interest group. Second, it assumes that the state identifies exclusively with the ruling or dominant class. Third, it assumes that the poor are militant and well-organized for action, so it is necessary to suppress the turbulent masses.

Was there a crisis in Taiwan that threatened the stability of the ruling class? In the case of Taiwan, the housing policy was catalyzed not by a housing crisis, but by a crisis in international relations. Despite contentions of housing shortages, the housing supply rate was 99 % nationwide. Although there were problems in distribution and the speculation in housing in larger cities such as Taipei and Kaoshiung, there was obviously

no crisis calling for a national housing policy aimed at producing more housing units nationwide, except that regional development and population redistribution were needed to reduce migration to the cities and congestion.

Public housing policy in Taiwan was rather a workable solution to the political crisis created by the Beijing Communique. The political contention theory explains the partial link between the social movement during the beginning of 1970's and the changes in public housing policy in 1975.

The public sector that intended to solve the housing problem for the poor turned out to be helping the middle-income group. The state, indeed, might have had an interest in helping the middle-income group alone from the very beginning. Such a hypothesis partially explains why the target group became distorted. The political contention theory *explains changes based on the results and effects but not the process of analyzing and attempting to overcome difficulties. By doing so, the theory often simplifies and polarizes the government's intentions.*

We can identify other limitations of using political contention theory alone. In Taiwan, the political ruling group is not necessarily the economically dominant class. The immigrants from the mainland have been the ruling group in a political sense, but the native Taiwanese constitute the largest portion of the economic ruling group. Moreover, within the political system, politicians, planners, and administrators have seemingly different interests. Therefore, *the members of a government do not necessarily sing the same tune.* Finally, many authors in the informal sector in the developing

countries have shown that the poor are usually not militant, and may not be opponents of the ruling administration (see Janice Perlman, for example). Pye (1985) even went so far as to conclude that the whole population in Taiwan was anti-political.

Even when all of these theories are added together to account for the Taiwanese public housing process, they are inadequate for explaining the whole story of Taiwan. However, it has been our purpose throughout this research to unravel the complex nature of the public housing process and, at the same time, to suggest a general framework that can capture and identify some critical threads that can be applied to designing a model for a systematic policy intervention process, that can emphasize a learning capacity whose absence might produce error-detection and error-correction that would be buried, ignored, or distorted.

6.5 Explanatory Value of the Institutional Learning Theory

The strengths of the institutional learning framework lie in the following main areas:

- (1) It provides an *ideology-free framework* for unraveling and “threading out” the process of *error-detection and error-correction*; *the process may result in either success or failure in bringing about changes*;
- (2) It provides a research *methodology for integrating both top-down and bottom-up processes*, which can explain behavior at the institutional

level as well as the behavior of the members of “forums” that may or may not be translated to an institutional level;

- (3) It gives a clue for an explanation of policy interventions during so-called “dark” periods, which might look like stoppages of institutional workings; but which might be *pivotal periods that incorporate different kinds of learning, and so may in turn bring about changes in the next stage.*
- (4) It describes both the *changes at the levels of espoused policy and the policy-in-use* so that the *incongruity* between the two is revealed, which often times can be a critical starting point for understanding the real processes behind the changes.
- (5) It implies that *policy design and implementation can be improved through increasing capacity for selected and desirable kinds of learning, i.e., by exercising certain kinds of dialogues among and within the forums* in order to stimulate policy inquiries which may be raised from reflecting upon their policy-in-use: the environment often looks like a system where swinging pendulum-like policy changes, leadership changes occur and where some fashionable ideas prevail, yet political games are played to control the direction and shape of a policy. However, even the political games might have been composed of different kinds and levels of learning.
- (6) It provides a new conceptual understanding of what is commonly perceived as and called “learning”: all the learning may not necessarily be “desirable” or “good” learning.

(7) It also gives *new critical and realistic criteria for policy evaluation: not successes or failures based on the results, but the processes for producing results.*

Although leaning may be buried by political games, the learning theory does not fall into the passive and conventional “doomsday” perspectives, from which no policy intervention can be invented. For example, my interviews in Taiwan led me to believe that there are genuine concerns and available energy to find a process that brings about positive changes both inside and outside of the government.

The following sets of propositions are distilled from this research for those wishing to study institutional learning further in policy design and the implementation of housing and other policy areas.

- Implementation was itself a policy-making process.
- The distortion or the shift away from the intention was due not only to the implementation process but also to the incongruity between the espoused policy and policy-in-use.
- The characteristics of dialogue among and within the forums dictated the characteristics of error-detection and error-correction and the link between the two, which in turn characterized the kinds of institutional learning that occurred in the Taiwanese Public Housing Process.

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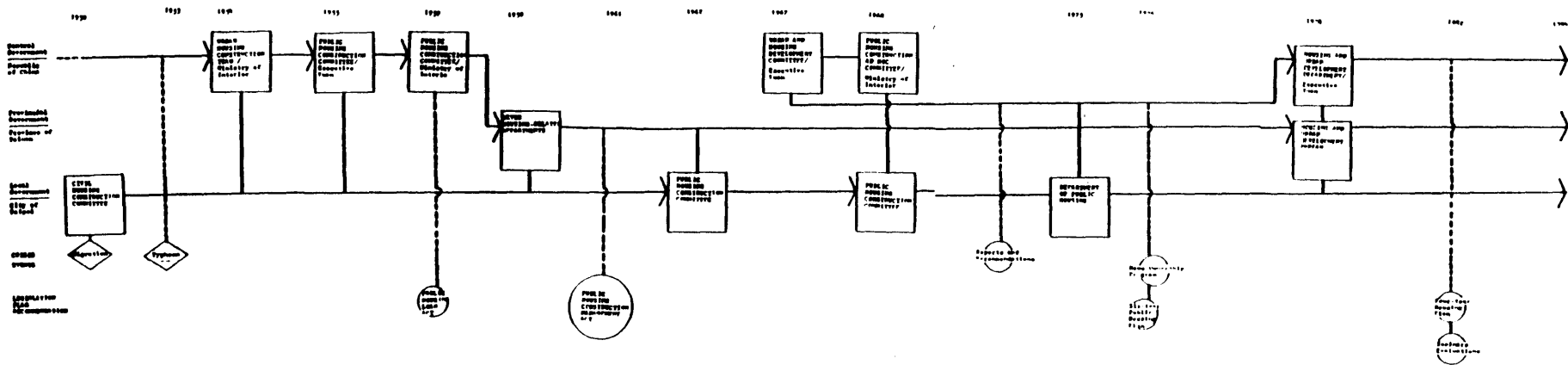
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APPENDICES

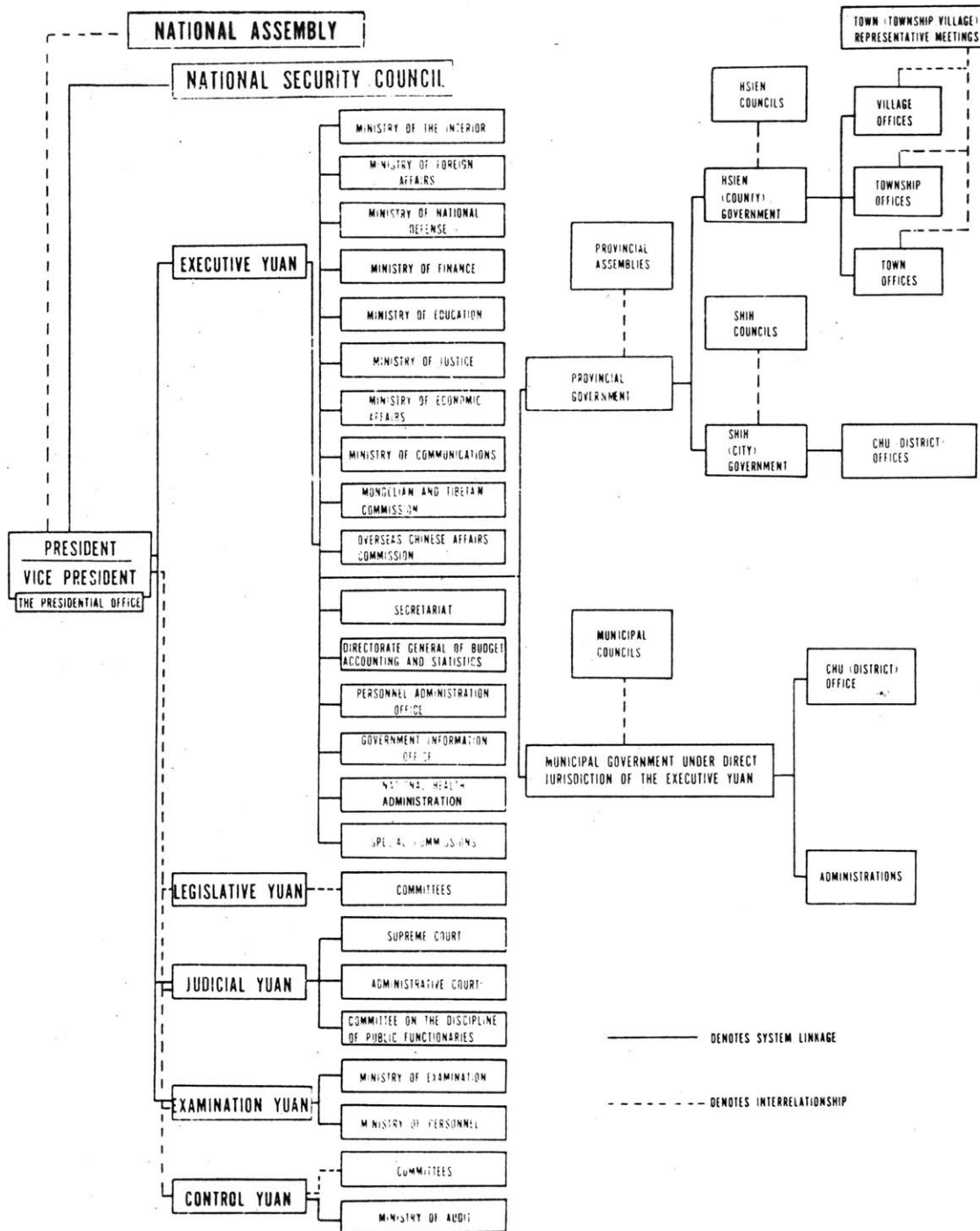
A. The Evolution of Public Housing Organizations

B. The Organizational Structure of the Taiwanese Government



APPENDIX A : Evolution of Public Housing Organizations

B. THE ORGANIZATIONAL STRUCTURE OF THE TAIWANESE GOVERNMENT



Source: Annual Review of Government Administration, R.O.C., 1976, p.8.