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## Crowdfunding the Hospital Why Tzu-Chi's Hospital Project Succeeded but Other Grassroots Hospital Projects Failed? A Report on Dr. Cheng-pang Lee's Talk at SFU David Lam Centre

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On February 9, 2018, Dr. Cheng-pang Lee, Assistant Professor of Sociology at National University of Singapore and Postdoctoral Fellow of the Ash Center for Democratic Governance and Innovation at Harvard Kennedy School, gave a talk on an interpretation of the success of Tzu-Chi's hospital project through a sociological perspective.

Before getting into the main discussion, Dr. Lee introduced the social status of physicians and the background of health and medical services privatization in Taiwan in the 1970s. According to Dr. Lee, medical doctors graduated from Medical School of National Taiwan University (Taihoku) were considered to be elites and had enormous power that, since the late 1920s, afforded them the freedom to do anything in Taiwan. Lee referred to the observation of Dr. Ming-cheng Lo, a sociologist at the University of California, Davis, that doctors in Taiwan saw them-

selves as "physicians for the Taiwanese nation" rather than merely Taiwanese doctors. These doctors played a crucial role in medical privatization.

Dr. Lee suggested that there was a research gap in the medical development in Taiwan between 1945 and 1990. Research has mainly focused on medical development in the pre-1945 and post-1990 periods, and in-depth investigation is needed for the intervening period in order to understand medical privatization in the early 1970s. Medicine and religion, according to Dr. Lee, were closely connected during this period and religious groups were heavily involved in medical privatization. Dr. Lee did a comparative study on three cases of grassroots hospital projects initiated by religious organizations throughout the medical privatization period. He compared the hospital projects initiated by Tzu-Chi 慈濟, The Lotus Society (Taizhong lianshe 台中蓮社), and the Beigang Chaotian Gong 北港朝天宮 to look into the factors that caused Tzu-Chi's hospital projects to outcompete those of the other two religious organizations.

Tzu-Chi is now a well-established non-profit organization that shows its influence beyond Taiwan. In Canada, for example, Tzu-Chi claims to have over 40,000 donors and 2,220 volunteers across the country with its national head office located in Vancouver, BC.¹ Dr. Lee pointed out that it is important to understand the success of Tzu-Chi's hospital projects for several reasons. Firstly, the success of the hospital project has a direct influence in grounding the success of Tzu-Chi as an organization. Secondly, Tzu-Chi's hospital has become one of the largest medical institutes in Taiwan—its hospital system is the second largest private system under Chang Gung Hospital (Changgong yiyuan 長寒醫院).

<sup>&</sup>lt;sup>1</sup> "Who We Are," *Tzu Chi Canada*, accessed July 19, 2018, http://www.tzuchi.ca/index.php/en/about-us/tzu-chi-canada.

Thirdly, Tzu-Chi International Medical Association (TIMA) has been the most successful medical humanitarian group among Asian societies. Lastly, Tzu-Chi has played a crucial role in shaping the medical field in Taiwan; it has contributed to the institutionalization of non-profit hospitals.

A popular view of Tzu-Chi's success, according to Dr. Lee, is that Tzu-Chi has better political connections with the Kuomintang (KMT), abundant resources, a more democratic structure, and a more charismatic leader. However, Dr. Lee argued that the picture is not complete without looking into the mobilization process and social elites' responses to the projects. Dr. Lee stated that public medical expenditure declined in Taiwan due to the emergence of a neoliberal welfare policy since the middle of the 1970s. The privatization of health and medical service commenced at that time. A performance-based evaluation system was introduced for the process and business corporates were encouraged to run hospitals. Dr. Lee showed his interesting findings after comparing the hospital projects initiated by Tzu-Chi, The Lotus Society, and the Chaotian Gong. He found that The Lotus Society's hospital project failed despite being a more well-known organization with good political connections and more female followers. Even the Chaotian Gong, which was more popular, resourceful, and received most donations among the three organizations, saw its Mazu hospital (Mazu yiyuan 媽祖醫院), taken over by another organization due to a failure in management.

Dr. Lee explained this phenomena from an institutional perspective. He found that Tzu-Chi's emphasis on morality rather than profit and elitism as well as the bottom-up democratic management approach are key factors for Tzu-Chi's success. According to Dr. Lee, Tzu-Chi's hospital project had mobilized resources from multiple networks while the hospital projects initiated by the other two organizations only tried to mobilize resources with certain networks. He suggested that the Tzu-Chi

hospital project has gained support from ordinary people and two social elite groups—medical doctors and new capitalist elites—through mobilizing multiple networks. On the other hand, the other two organizations were constrained by their existing resources and social boundaries. Tzu-Chi's strategy can be taken as a bottom-up approach in comparison with the top-down approach that the other two organizations employed. Dr. Lee concluded with an argument that the social elites tend to support organizations that are new and weak to show their ability to offer convincing solutions to social problems; the elites' support to Tzu-Chi turned out to be crucial for medical reform as their endorsement is needed to push the process forward.

## Bibliography

"Who We Are." *Tzu Chi Canada*. Accessed July 19, 2018. http://www.tzuchi.ca/index.php/en/about-us/tzu-chi-canada