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DEREGULATION AND THE RELIGIOUS MARKET IN TAIWAN: A Research Note

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The religious economy model predicts that when encountered with competition, loosely organized religions will fail or will be transformed into congregational religions. Over time, competition will drive congregational religions to establish an extended relationship with their consumers by generating exclusivist claims and exclusivist socialization. And thus exclusive religion tends to occupy the biggest market share. This model, however, has rarely been tested empirically. By analyzing religious trends in Taiwan after the deregulation of the late 1980s, we find that state suppression contributed to the weakness of organized religion while enhancing the popularity of unchurched congregational religions in Taiwan. We also find that deregulation is associated with the rise of organized and congregational faiths. But whether or not these newly organized religions become exclusive or not needs further studies. Implications of the findings for future research are offered.

INTRODUCTION

The many differences between Western and Asian religions have been debated not only by religious practitioners but also by social scientists. Iannaccone (1995), for example, argues that Western religions reflect collective religion focusing on congregations, exclusivity, and high levels of commitment, while Eastern religions take a private approach and focus on diversified religious portfolios. According to Stark and his collaborators, congregational religions such as Christianity have "a relatively stable, organized congregation of lay members who acknowledge a specific religious creed," while Asian religions are typified by "unchurched" religions lacking a congregational life and a specific religious creed (Stark, Hamberg, and Miller 2005:7). Membership in congregational religions means that the followers "make worship part of their daily lives" and "gather frequently for services as well as social activities" (Stark 2006); conversely, participants of unchurched religions are not "members" but consumers in pursuit of immediate rewards.

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Theorists of the religious economy model not only conceptualize these differences by promoting typologies, they also try to reveal the mechanisms which drive religions toward being churched or unchurched, collective or private. They argue that market forces drive loosely organized religions to fail or to be transformed into congregational religions (Stark 2006); over time, competition will induce congregational religions to establish an extended relationship with their consumers by generating exclusivist claims and exclusivist socialization. Finally, exclusive religion (e.g., monotheistic religion) tends to occupy the biggest market share since nonexclusive religions are "inherently weak" (Stark and Finke 2000:142). Unfortunately, relatively little research has been performed to empirically test these arguments. This research offers a modest contribution to this agenda by extending the model to Chinese societies.

IMPACT OF COMPETITION ON RELIGION

Competition lies at the heart of the religious economy model. The model assumes that there is a religious market in which religious firms compete with each other to attract or maintain adherents by means of providing religious products and services. As a deductive theory, the model predicts that religious competition can exert influence on religion in two ways: affecting the forms of religious activities and increasing the vitality of religious markets. At the organizational level, Stark (2006) holds that when confronted with competitive forces, loosely organized religions tend to fail or to be transformed into congregational religions. At the macro-level, religious competition is assumed to account for high levels of religiosity (Stark and Finke 2000:199–202).

The hypothesis that competition promotes religiosity has generated a large number of empirical studies (e.g., Finke, Guest, and Stark 1996; Olson 1999). Since it is difficult to measure competition directly, scholars tend to measure it by the degree of plurality. The relationship between religious plurality and religious participation is still controversial. While some scholars find a positive relationship between them (e.g., Finke and Stark 1988), other empirical studies show that religious pluralism is negatively associated with religious participation (e.g., Chaves and Gorski 2001).

Competition can also be inferred from the degree of regulation. Finke (1997:50) argues that state regulations tend to restrict competition "by changing the incentives and opportunities for religious producers (churches, preachers, revivalists, etc.) as well as the viable options for religious consumers (church members)." In a free market, religious competition can drive religious suppliers to be more efficient and thus religious participation will be higher. Iannaccone (1991) tests this argument empirically by comparing religious participation in 18 developed countries, finding that rates of church attendance and religious belief are substantially higher in free markets than those in regulated markets. Also, such an effect is observable in Japan where deregulation led to religious prosperity in the past decades (Finke 1997; Iannaccone, Finke, and Stark 1997).

While the relationship between regulation and religious vitality has been fully probed (Chaves and Cann 1992; Iannaccone et al. 1997; Froese and Pfaff 2001), little attention has been paid to the impact of competition on the nature of religion. An

exception is the work of Rodney Stark (2006). By examining the historical data on religious markets in ancient Rome, Stark finds that temples, which served individual consumers for short-term rewards, were previously popular in Rome; but they eventually withered away when competing with the congregational faiths.

Lang and Lu (2004) examine how state regulation prevented religions in imperial China from becoming sufficiently congregational to generate exclusivist claims and socialization. For the sake of political stability, the imperial state sustained a diversity of hobbled religions that coexisted without any of them becoming dominant. In order to promote religious harmony, some rulers also supported the assertion that there were basic truths beneath the competing religions. In doing so, the imperial state restricted the development of exclusive religions and promoted the popularity of religious syncretism.

In a recent and relevant study, Yang examines the effects of state regulation on different types of religiosity in mainland China. Yang (2006:94) identifies two kinds of religious suppliers: the institutional religion and the noninstitutionalized religion such as "individual shamans, witches, oracles, gurus, ritual specialists, and the like." In a highly restrictive religious market, these noninstitutionalized religions constitute a gray religious market that is beyond the control of the state. "The more restrictive and suppressive the regulation, the larger the gray market is" (Yang 2006:99). In other words, heavy regulation may contribute to the prosperity of non-institutionalized religions.

Following this line of research, we explore the impact of deregulation on the forms of religious activities in a Chinese society. Specifically, we pursue this question by analyzing the religious trends in Taiwan where religion was deregulated in the late 1980s. Methodologically, this research draws on the anthropological data and historical archives collected in Taiwan, supplemented by survey data collected through Taiwan Social Change Survey (TSCS). The first TSCS survey was conducted in 1984, and included several questions related to religion. In 1994, 1999, and 2004, three additional surveys exclusively focusing on religion were undertaken by the TSCS. Since Taiwan deregulated religious affairs in the late 1980s, TSCS data are well suited for examining the impact of deregulation on religions in Taiwan.

STATE REGULATION IN TAIWAN, 1949–1987

When the Kuomintang state retreated to Taiwan in 1949, it applied martial law which restricted free speech, free assembly and religious freedom. Western missionaries of Christianity were welcomed by the Kuomintang government because the United States provided military and economic aid to Taiwan (Rubinstein 1991:34). At the same time, the state restricted indigenous religions to ensure that no religious organization became sufficiently organized to produce political challenges.

Yiguan Dao,[1] a modern successor of the Chinese sectarian tradition, became the main target of religious persecution. Since the sectarians were well organized and frequently assembled to share their faith, and since the Kuomintang state was suspicious of

mass gatherings of any kind, the government regarded Yiguan Dao as a "heterodox religion" (*xiejiao*) and outlawed it in 1953 (Lu and Lang 2006).

Buddhism and Daoism were also strictly regulated although the state permitted them to legally exist. All monks and nuns were required to receive their official ordination certificates, a policy which had been adopted by imperial China since the 10th century to reduce the number of clergy.[2] The state also stipulated that only one representative organization was licensed to fill any "niche" in society. Accordingly, the Buddhist Association of the Republic of China and the Daoist Association of the Republic of China were established as the only representatives for Buddhists and Daoists on the island. These monopolizing organizations tended to utilize political forces to suppress their rivals. As a matter of fact, the Buddhist Association not only opposed the development of other Buddhist organizations (e.g., *Foguang Shan*) (Jones 1999), but also lobbied the state to persecute Yiguan Dao (Song 1996).

The Kuomintang state also tried to restrict folk religion. Chinese folk religion includes the following elements: the religious practices such as pilgrimage (*Jinxiang*), fortune telling (*Suanming*), spirit possession (*shenling futi*), and geomantic omen (*kan fengshui*); the worship of the three classes of supernatural beings: gods, ghosts, and ancestors (Jordan 1972); annual religious rituals and communal religious activities associated with these supernatural beings (Lin 2003); and territorial-cults organizations managing the communal rituals and activities (Sangren 1987). From the perspective of officials, folk religion was deemed superstitious and thought to be in need of reform. In a printed notice sent to local temples in 1967, the government listed the fallacies of folk religion's feasts, "which are like nausea and madness and seriously affect health, strength, domestic economy and social order" (Feuchtwang 1974:289). Furthermore, the Regulation of Temple Registration (*Simiao dengji guize*) stated that the erection of new temples must be authorized by the government.

IMPACT OF THE STATE ON THE RELIGIOUS MARKET IN TAIWAN

It is clear that state regulation exerted great influence on the development of religions in Taiwan. One example of this influence is that state regulation contributed to the small size of sectarians in proportion to the whole population. Although persecution did not totally destroy sectarian networks, it clearly weakened the influence of Chinese sects, which is a form of congregational religion. Data from the TSCS in 1984, showed that only 1.7 percent of respondents in Taiwan were devotees of the Eternal Venerable Mother, the deity commonly worshiped by Chinese sects. Sectarian movements occupied only a small share of the total religious market at the time.

Strict regulation also had an impact on the congregational structure of Buddhism and Daoism. The authoritarian state largely restricted the emergence of strong clergy organizations independent of state-controlled associations. Without the support of strong clergy organizations, Buddhism and Daoism failed to develop mature congregational structures which no doubt would have more effectively connected the clergy and the laity. In the 1960s and 1970s in Taiwan, Buddhist monks were reluctant to establish

a close relationship with local communities and the laity, partly as a result of strict regulation; neither did they use congregations to recruit and convert neophytes (Weller 1987:111–3). They usually spent most of their time in reciting sutras, or repeating the name of a Buddha over and over. Daoist monks provided divine help when consumers patronized them, and they always failed to distinguish themselves from shamans. Daoist specialists were not interested in forming congregations either. It was politically risky to hold congregations in a society where the dominating party was suspicious of any mass gatherings. To a large degree, both Buddhism and Daoism did not function as congregational religions in the 1960s and 1970s on the island.

Perhaps ironically, state regulation may well promote the popularity of folk religion. Since it is highly risky to attend religious congregations, it would be safer for people to patronize temples or religious specialists for divine help when need arises. Indeed, it is impossible for the state to control the establishment of privately built temples and shrines, most of which were not necessarily managed via the priesthood. Tamney (2005:1) holds that "until recently almost all Chinese people practiced folk religion." The 1989 TSCS found that 35.3 percent of respondents identified themselves as the adherents of folk religion, 31.5 percent as Buddhists and 17.6 percent with no religious belief. We must note that there is no clear distinction among the followers of folk religion, self-defined Buddhists, and those without religious belief. Among those self-claimed Buddhists, only 13.5 percent of them performed an official ritual of conversion, more than 80 percent were actually practitioners of folk religion. Another sampling investigation of Taiwan (Zhang and Lin 1992:102) showed that 87 percent of Taiwanese who claimed to have no religious belief actually believed or worshiped gods; only 6.3 percent of the population really had no religious belief and did not believe in or worship gods. These data confirm that most Taiwanese in the 1980s were actually participants of folk religion.

The most salient character of adherents of folk religion in Taiwan is perhaps their emphasis on efficacy (*Ling*) (Harrell 1974; Wolf 1974). They asked for divine help from gods when personal desires emerged. If the god satisfied their wish, they would reward the god with incenses or delicious foods. But if the consumers believed the god failed to perform miracles, they would not feel obligated to make offerings to the god and they usually turned to other deities. Therefore, the fate of gods largely depended on their ability to respond to human needs. The perceived efficacy also played an important role in arranging temple networks in Taiwan. Gods mainly expanded their influences by means of "efficacy division" (*Fenling*) which refers to "the practice by which new temples are chartered by the division of incense representing a god's efficacy from a source temple" (Sangren 2000:99). If a god was perceived to be efficacious, people tended to divide incenses from the temple where the god was worshiped and establish new temples. These new temples were believed to be able to share the efficaciousness of the god in the source temple. These branch temples could themselves spawn newer temples as well.

As a result of efficacy division, thousands of temples and shrines existed in Taiwan. These village temples were usually managed by a temporary organization that was

headed by a *Luzhu*, host of the incense burner. Each year, a *Luzhu* would be chosen "either according to a rota or divination, and in any case after the approval of the patron deity has been ascertained by divination" (Feuchtwang 1974:277). As a temporary governor, a *Luzhu* was responsible for collecting funds, hiring opera troupes and religious specialists, building the opera canopy, preparing for the offerings, and making general arrangements. When the rituals were completed, these ritual associations would be disbanded.

To summarize, state regulation prevented religions from developing strong organizations in Taiwan. But what would happen if state regulation were to be lifted?

RELIGIOUS CHANGES AFTER DEREGULATION

With the democratization of Taiwan in the 1980s, the state began to deregulate religious affairs. In 1987, the Kuomintang government lifted martial law and legalized Yiguan Dao. In 1989, the government enacted the Law on Civic Organization (*renmin tuanti fa*), whereby all religious groups were permitted to exist legally and the government would not impose prohibitions on the establishment of religious groups. Believers of any religion were free to hold their religious activities and spread their faith without fear of state suppression.

The Rise of Organized Religions

The deregulation of religion in the late 1980s was viewed by many as a "religious fad" (*Zongjiao re*) in Taiwan. The renewed religious vitality can be seen in the increase of religious organizations. Since the state does not regard religious organizations as political threats any longer, religions are allowed to freely register themselves as civic originations and operate legally without restrictive regulation. As a result, there was a dramatic growth in the number of religious organizations in the 1990s. The number of religious groups increased from 83 in 1986 to 1,062 in 2004, as illustrated in Figure 1. It is important to note that many of these religious groups existed before deregulation, and officially registered when it was risk-free to do so.

Among these newly established religious groups, the reformed Buddhist organizations are the most influential. Frustrated by the official Buddhist association controlled by conservative monks, some energetic clerics began to establish their own organizations by emulating Christian groups in the middle 1960s. Among these reformed Buddhist groups, *Foguang Shan* and *Ciji* are well recognized. Partly stimulated by three missionizing Catholic nuns who criticized Buddhists, the Venerable Zheng Yan established the Buddhist Compassionate Relief Merit Association (*Fojiao Ciji Gongdehui*) in the 1960s, focusing on charitable activities (Huang 2003). The birth of *Foguang Shan* was also attributed to "the emulation effect" (Nagata 1999:233). When confronted with competition from Christian groups, *Foguang Shan* emulated Christianity to organize itself, adopting "a universal religious style and form" and providing "Christian-type social service" (Nagata 1999:245). It seems that competition played a role in the birth of these reformed Buddhist groups even during the period of suppression.

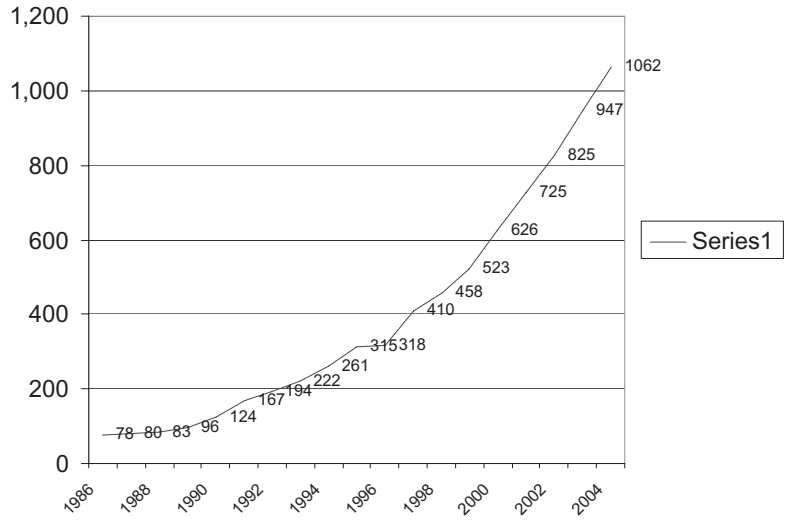

FIGURE 1. Number of Religious Organizations in Taiwan, 1988–2004.
Source: Department of Statistics, Ministry of Interior, Republic of China.
Note: The Ministry of Interior provides the number of religious groups under the jurisdiction of local government and that of religious groups under the jurisdiction of central government separately. We combine two kinds of data that result to this chart.

Although the official Buddhist association opposed both *Ciji* and *Foguang Shan* before the 1980s, they have developed quickly in the past two decades. TSCS data in 1999 confirmed that 12.6 percent of respondents were affiliated with *Ciji* and 3.7 percent with *Foguang Shan*.[3] With the arrival of religious freedom, more Buddhist groups emerged. According to the data from the Ministry of Interior, in 2003 there were 18 island-wide Buddhist organizations registered in the central government and hundreds of Buddhist groups registered in local governments. These groups employ a formal bureaucratic institution to manage the priesthood. To this point, *Ciji* provides a good example of the latest development of lay Buddhist organizations in Taiwan.

Headed by Zheng Yan, *Ciji* has two divisions: the *Ciji* Foundation and the volunteer organization. The foundation has a typical bureaucratic structure with a governing board of trustees and departments for various administrative functions, most of which are related to the four main kinds of Foundation activities: culture, education, medicine, and environment. As the biggest civic organization in Taiwan, the volunteer organization of *Ciji* has a strict bureaucratic structure whose positions are occupied according to the degree of individual involvement. While small contributions can make one a member of *Ciji*, "sizable donations earn bureaucratic titles for members, culminating in 'Honorary Trustee' for those who have contributed NT $1,000,000 (about $40,000 U.S.)" (Huang and Weller 1998:384). The local leaders not only recruit new members and solicit donations but also organize members to provide various kinds of social services, from identifying and helping needy families or visiting nursing homes to promoting recycling and other environmental activities.

When Buddhist devotees are systematically organized by the clergy, they congregate frequently. For instance, the *Ciji* members may hold research groups to discuss how Zheng Yan's writings relate to the problems of daily life. They may chant a sutra together at the gatherings or collectively share testimonials to strengthen their faith; the core members may practice the standard morning recitation (*Zaoke*) daily at home (Huang and Weller 1998). Besides *Ciji*, many Buddhist groups devote themselves to conducting Dharma Assemblies (*Fahui*), a kind of traditional Buddhist congregation. The purposes of Dharma Assemblies vary widely, from studying Buddhist sutra, confessing, saving the spirits, holding rituals, celebrating the birth of Buddha, preaching the Dharma, or supporting the monks, to teaching meditation. In addition to Dharma assemblies, Buddhist groups in contemporary society also participate in other religious congregations such as workshops and summer camps. In striking ways, Buddhism in Taiwan has become quite organized and increasingly has assumed a congregational identity after deregulation.

Unlike most monks in the 1970s who were waiting for occasional patrons and were inactive at propagating their faith, Buddhists in contemporary Taiwan are walking into society to get in touch with people. It is now common for Buddhists to raise significant amounts of money to build grand temples. Consequently, the number of Buddhist temples in Taiwan rose from 1,669 in 1989 (Zhu 1989) to 2,227 in 2004 (Statistical Yearbook of Interior 2004). Monks and nuns also become more aggressive in attracting new followers by means of giving speeches, teaching meditation, publishing books, and providing social services related to charity, education, medicine, and the environment. In 2004, Buddhism sponsored 6 universities/colleges, 5 hospitals, 13 social welfare service centers, and dozens of other public welfare institutions including homes for the aged, institutions for the disabled, and facilities for youth guidance (Statistical Yearbook of Interior 2004).[4]

The rise of organized religious groups also makes membership more important than ever before. When studying Chinese religion, C. K. Yang (1961:327) observes that "the first striking characteristic [of religious life in China] is the general absence of any membership requirement for worshiping in a temple or convent." The observation was also valid in Taiwan where most people tended to patronize several deities and temples simultaneously. They were "customers" rather than "members" affiliated with a specific religious group. The situation, however, has been changing in the past two decades. We can see this point from the TSCS data: the percent of the population who hold membership in religious groups has increased steadily from 6.4 percent in 1984, to 14.1 percent in 1994, to 17.4 percent in 1999, and finally to 24.1 percent in 2004.

Religions in Taiwan today direct more attention to socializing children, too. In traditional China, as Tamney (1978:217) observes, "religion is not important in a Chinese family so that there is no attempt to control children's religious identity." In 1984, TSCS data indicated that 49 percent of respondents opposed the idea of sharing their religious preference with their children, and only 25 percent agreed to do so. The situation has certainly begun to change. Yiguan Dao is one example. One of most frequently quoted slogans by the sect is to "make all family members believe in Yiguan

Dao" (*Daohua Jiating*). Indeed, the sectarians put much emphasis on passing on their belief to the next generation. It devotes itself to conducting various kinds of research courses to nurture child and adolescent spirituality (Lu 2005). Many Buddhists groups now also encourage their followers to religiously socialize their children in the family (Lu 1999).

The Transformation of Folk Religion

In addition to the rise of organized new religions, the deregulation of religion is also associated with the rapid growth of temples and churches from 1990 through 2004. In contrast to traditional temples that were managed by the *Luzhu* association, more and more temples today are equipped with formally organized committees. While the *Luzhu* associations were loosely and temporarily organized, the committees exist permanently and run on the basis of formal rules. Some influential folk religion temples, such as *Zhengnan Gong* in Dajia, have established formal committees to manage temple affairs in the early 1980s (Lin 2003). This tendency has accelerated since deregulation. Data provided by the Interior Ministry of Taiwan show that temples managed by committees increased from 3,441 in 1996 to 5,225 in 2004 (Table 1).

In a free market, folk religion is less competitive and its adherents are more susceptible to being converted by other well-organized groups (Lu 2005). Faced with competition from organized religion, practitioners of folk religion had to adopt measures to retain their adherents. Lin (2000) observes that practitioners of folk religion, such as shamans, began to establish their own religious groups by producing theories and by establishing congregations to study Buddhist or Daoist sutras. With these shamans transforming into religious guru (*Shifu*), practitioners came to more closely resemble members. Accordingly, the previously loose client networks began to turn into

TABLE 1. Temples and Churches in Taiwan, 1990–2004

Year	Number of temples	Temples managed by committees	Number of churches
1990[a]	5,362		2,160
1996[b]	9,225	3,441	3,142
1997[b]	9,321	3,586	3,131
1998[b]	9,375	3,630	3,117
1999[b]	9,413	3,682	3,135
2000[b]	9,434	3,745	3,096
2001[b]	9,832	3,981	3,138
2002[b]	11,423	4,674	3,224
2003[b]	11,468	4,925	3,280
2004[b]	11,384	5,225	3,159

[a]*Quanguo Focha Daoguan Zonglan* [General Survey of Buddhist Temples and Daoist Monasteries of the Whole Country], n.d. 38; c.f. Pas 2003:37.
[2]Statistical Yearbook of Interior, Republic of China.

church-like organizations equipped with specific doctrines, priesthoods and leaders, and rituals and classics peculiar to themselves. In this process, these groups focus on otherworldly rewards (e.g., salvation, merit) and thus engage its members in an extended relationship. From the transformation of the group led by Yang Zanru, we can observe the repeated transition of "shamans to churches."

Mr. Yang was a spirit medium who founded "the Sacred Virtue Hall" (*Shengde Tang*) in 1981. Like other phoenix halls, Yang's hall was a loosely organized association that produced morality books (*Shanshu*) and provided the immediate magical benefits such as seeking for lost things, resolving family troubles, and offering magical therapies by means of spirit writing. Since 1986, however, Yang gradually shifted his attention from the practice of spirit writing to Buddhist ideas and practice, especially the meditation of *Chan*. After spending six months in meditating and reading Buddhist sutras in 1988, Yang introduced more Buddhist theories and practices into the loose association he led. Yang eventually converted to Buddhism in 1987 and his loosely organized association evolved into a Buddhist group. Accordingly, the group gave up the service of divine help and spirit writing, centering on "merit." For Buddhists, merit is a kind of spiritual credit which people can earn through meditation, chanting, acts of charity and other good deeds. It is believed by Buddhist followers that accumulating merit can gain a higher state of life after death and finally achieve the status of nirvana. Undoubtedly, merit is a sort of otherworldly rewards to be realized not in this world but "only in a non-empirical context" (Stark and Finke 2000:88). In the process of congregationalization, otherworldly rewards become an even more important feature.

The evolution of the Sacred Virtue Hall is not an isolated case. Clart (1996:85) observes that competition made many phoenix halls transform from "spiritualist clubs of local literati" into "more fully developed religious institutions." Wang, Zhou, and Lin (1997:141–5) also find that competition drove many loosely organized religious associations to employ institutional innovations which made them more sect-like.

DISCUSSION AND CONCLUSION

The religious economy model does not merely suggest that higher levels of religious participation and commitment are associated with decreased regulation and greater competition (Stark and Finke 2000:219), but also claims that more formally organized religions will attain a greater market share in a free religious economy (Stark and Finke 2000:141–2; Stark 2006). Recent research on religious markets, however, has focused almost exclusively on the way in which religious regulations decrease religious participation or how deregulation increases religious vitality. This article, therefore, applies data to a relatively understudied but important aspect of the larger theory: examining the impact of competition or deregulation on the forms of religious activities within a particular political area.

In order to prevent religious believers from being well organized, the Kuomintang state in Taiwan restricted the organizational development of religions. In this way, state

regulation led to the popularity of folk religion and the lack of well-organized religion. Since the adherents of Chinese folk religion were both individualists and pragmatists, congregations were not a significant institution in Taiwanese religious life, although they clearly existed in sectarian groups. With the arrival of religious freedom in the late 1980s, religions in Taiwan quickly organized themselves. In the past decade, the number of religious groups in this island has increased dramatically from 83 in 1989 to 1,062 in 2004. These organized religions attach much more importance to membership. And subsequently, the population having membership in religious groups increased dramatically, from 6.4 percent in 1984 to 24.1 percent in 2004.

In the deregulated market, more and more Buddhist groups are emulating Christianity to make use of congregational forms to strengthen their followers' faith. Since these congregational religions are more competitive than unchurched religions in absorbing resources and attracting potential members in the religious market, some practitioners of folk religion have also adapted to the new surrounding by establishing a congregational structure; and the religious associations they led finally crystallized into well-organized religious groups. Deregulation is thus associated with the transformation of noncongregational religions.

What happened in Taiwan is not uncommon. There is ample evidence that noncongregational religions tend to fail or change their organizational forms to survive in the modern societies. Tamney (2005:7) finds that Chinese folk religion has been declining since 1980 in Singapore. In Sri Lanka, Buddhism is going through a process of "protestantization" by means of incorporating the characteristics of Protestant Christianity, such as regular congregational rituals and provision of communal services (Gombrich and Obeyseskere 1988). In Indonesia, Chinese Confucians model their organization on Christian prototypes, adopting Confucian Analects as scriptures, instructing children in "Sunday" schools, and congregating regularly and frequently. "In Singapore, Chinese Daoists are moving in a similar direction, engaged in a process of codifying and textualizing what has been largely an assortment of often oral traditions, offering English-medium instruction and holding regular, predicable, 'rational' congregational rituals" (Nagata 1999:246).

Since these changes occurred in the 20th century, one reviewer suggests that it is modernization rather than competition that causes these transformations. We respectfully disagree with this argument. When explaining religious transformation, the modernization theory predicts that modernization is associated with an increase of individuation and the decline of religious groups; the importance of individualism will be increased at "the expense of groups" (Tamney and Chiang 2002:7). Obviously, this prediction is not in accordance with the growing number of religious groups and the increase of religious membership in Taiwan.

The transformation of religions from unchurched to congregational also took place in premodern societies, as evidenced by what happened in ancient Rome (Stark 2006). Another illustrative example is the development of congregational Buddhism in traditional China. Before the ninth century, Chinese regimes rarely regulated religions. In this relatively free religious market, Chinese Buddhism once developed a congregational

structure. At the beginning of Northern Wei (386–534), there emerged Buddhist associations named *yihui* which had thousands of members, including monks and lay believers. They frequently held "vegetarian congregations" (*Zaihui*) to study Buddhist sutra and encourage each other to follow the Buddhist regulations. In such congregations, intellectual Buddhists would also propagate Buddhist ideas to the masses (Gernet 1995). But such congregational structures were largely destroyed by the heavy state regulation since the 10th century.

This research provides preliminary evidence that competition can account for the transformation of unchurched religions into congregational religions in Taiwan. It will be interesting to observe whether these newly organized religions become exclusive over time. Additionally, we confirm that there are many questions that warrant attention by social science scholars interested in examining the connection of religion to an economic model and market. Will religions in mainland China develop in this direction? Will Buddhism change its organizational forms in free markets, such as that found in Japan as well as the United States? These and other related questions need to be probed in future studies.

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NOTES

[1]Yiguan Dao is a sect centering on the worship of the Eternal Venerable Mother. It believes that the world will come to an end soon and people can only be saved by joining the sect. Under the leadership of Zhang Tianran, Yiguan Dao developed into the biggest sect in mainland China in the 1940s but was largely destroyed by the Chinese Communist Party in 1951. Today, it is one of the most influential religious groups in Taiwan. For an analysis of the sect's latest development, see Lu and Lang 2006. The term "sect" in this research refers to "religious bodies in relatively higher tension with their surrounding" (Stark and Finke 2000:144).

[2]The Ming Empire (1368–1644) regulated that each temple should have less than 40 clergies; men were not permitted to join the priesthood until the age of 40 and women until the age of 50 (Lin 1980:112). In the Qing dynasty (1644–911), each ordained Buddhist monk was permitted to train only one neophyte when he was over 40 (Yang 1961:189).

[3]For more information, visit the following Web sites: http://www.tzuchi.org.tw/ (*Ciji*), and http://www.fgs.org.tw/ (*Foguang Shan*).

[4]The relationship of religions and civil society in East Asia is an interesting topic that deserves further research. Research has pointed out that in East Asia, traditional religions exerted little influence on public lives because they were extremely individualistic and lacked a strong formal organization (Miller 1998). Today, Buddhism is active in social movements and civic engagement. For this reason, scholars hold that "engaged Buddhism"—a form of Buddhist beliefs that places great emphasis on social justice—has emerged; and Buddhism has become a part of civil society (Laliberté 2004; Huang 2003).

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