

Port Governance in Taiwan: How Hypocrisy Helps Meet Aspirations of Change

Abstract

In Taiwan, significant port reform commenced in 2012 that aspired to enhance port performance and competitiveness. Previously managed by four units, ports are now managed by only two: the Maritime and Port Bureau (MPB) (a port regulator) and the Taiwan International Ports Corporation (TIPC) (a full state-owned company). In this article, we consider the rationale for this reform, the degree of its success and impact, and the challenges of introducing it. We first outline Taiwan's main international ports and some basic trends regarding cargoes, containers, ship numbers and port operation efficiency from 2001- 2015. Then, drawing on the literature, and on Nils Brunsson's organisation of hypocrisy, we describe Taiwan's pre-2012 approach to port governance and its reforms of 2012. We then detail how we conducted in-depth expert interviews with eight port governance officials, before presenting their thoughts on the hopes, challenges, and future of Taiwan's port governance. We draw on Brunsson's organisation of hypocrisy to view how Taiwan's port reform has considered numerous differing stakeholders and perspectives. We discuss how such an approach has allowed Taiwan to aspire to greater competitiveness, but generated challenges such as the need to adjust workforces, and of assessing the impact of reform in Taiwan.

Keywords: Port Governance; Maritime and Port Bureau; Taiwan International Ports Corporation; Change Management; Taiwan.

1. Introduction

In 2012, Taiwan introduced a significantly transformative reform of its port governance with the aspiration to create greater competitiveness and profit from its ports. In this article we consider the rationale for this reform, the degree of its success and impact, and the challenges associated with introducing it. To do this we first provide some background and basic information about Taiwan and its port trade from 2001 – 2015. This provides a context for a subsequent discussion of some theories and processes of port governance from the literature which are framed around Nils Brunsson's (2002) organisation of hypocrisy. We draw on Brunsson's work in order to provide a suitable lens and frame through which to view port governance reform in general, and port governance reform in Taiwan in particular. In brief, and by way of an introduction for the reader, Brunsson's theory is that rather than being something negative or harmful, hypocrisy can in fact be a positive and helpful tool for governments

to be flexible and move forward with policy introduction. Brunsson defines hypocrisy as an organisation's ability to be able to 'say' one thing but 'do' another. In this way organisations have the flexibility to move ahead with reform and policy as it allows them to retain a previous stance but implement a new one. In a port reform context, hypocrisy (conscious or not) can allow governments to say they are introducing new approaches to governance, but nevertheless retain some of the old approaches in order to help smooth the introduction of the new.

Following this section discussing the literature, we then outline Taiwan's approach to reform, and the situation pre-2012 and post-2012. This is followed by a brief section which describes and justifies our approach to collecting empirical data through in-depth interviews with eight key participants in Taiwan's port governing structure. We then present and analyse this data in the context of the literature and through a lens of organised hypocrisy. We consider Taiwan's motivation for introducing the port reform that took place, the degree of its success and impact, challenges associated with introducing it, and the future direction of Taiwan's governance. We then conclude with a section that discusses the implications of this data and makes suggestions for future research in Taiwan specifically, and in the field of port governance in general.

1.1 Taiwan: some basic data and information about its port trade

Taiwan is an island economy entity, of about 23.5 million people living on 36,000 km² of land. Its central mountainous terrain means Taiwan's major population and economic activities occupy a narrow, north-south corridor along the west coastal plain. In 2015, Taiwan's gross domestic product (GDP) was about US\$563.57 billion. Its gross export and import values were US\$280.38 and US\$228.62 billion, accounting for 49.75% and 40.57% of the GDP.¹ Taiwan is highly dependent on foreign trade, and thus international transportation, through ports, is critical for the sustained prosperity of the economy. According to one statistical report published by the Ministry of Transportation and Communication,² over 99% of Taiwan's annual foreign trade in tonnes is carried by sea. It is therefore not an understatement to say that port governance is thus one of the most significant factors in Taiwan's economic outlook.

As shown in Figure 1, Taiwan has four main international ports: Kaohsiung, Keelung, Taichung and Hualien.^{3,4} In addition, there are a number of smaller ports that also operate internationally (Anping, Suao, Mai Liao, and Ho Ping).

¹ Bureau of Foreign Trade, Taiwan. <http://cus93.trade.gov.tw/FSCI/>

² 2015 Transportation Research Statistics <http://www.iot.gov.tw/mp.asp>

³ Established sequence is Keelung, Kaohsiung, Taichung and Hualien. Kaohsiung port was ranked as 3rd in the world during 1990s, however, it is ranked as 14th in 2015.

⁴ Taipei port and Suao port are auxiliary ports of Keelung Port. Anping port is auxiliary port of Kaohsiung port. <http://stat.motc.gov.tw/mocdb/stmain.jsp?sys=100>

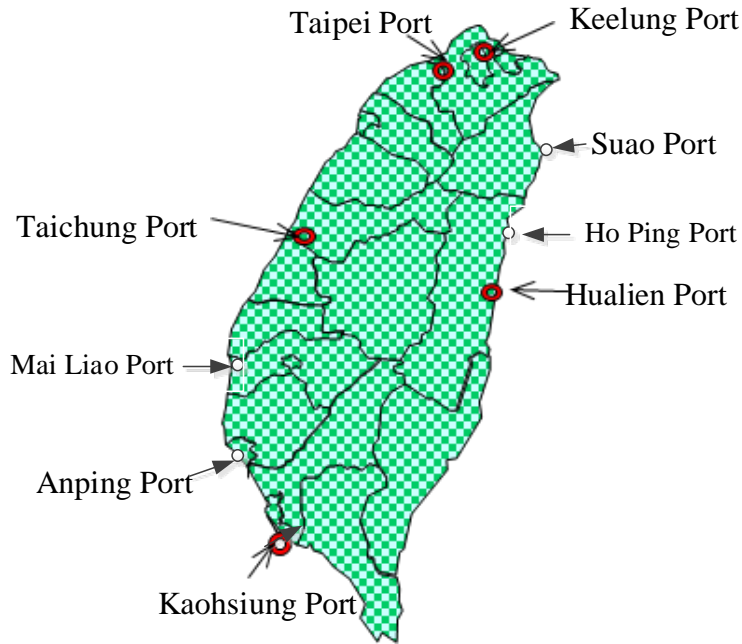


Figure 1. Location of main international ports in Taiwan

Figure 2 shows a trend of cargo loading/unloading volume in the main Taiwanese international ports between 2001 and 2015. In 2015, Kaohsiung port accounted for a majority of the volume (450,383,327 tons, 62.96%), followed by Taichung (121,916,825 tons, 17.04%), Keelung (62,478,862 tons, 8.73%), Taipei (67,996,913 tons, 9.51%) and Hualien (12,550,856 tons, 1.75%). In particular, due to the financial crisis in 2009, volume of most ports had decreased. As Taipei port is a new port and adjacent to Keelung port, some of the cargo from Keelung port have moved to Taipei port in recent years.

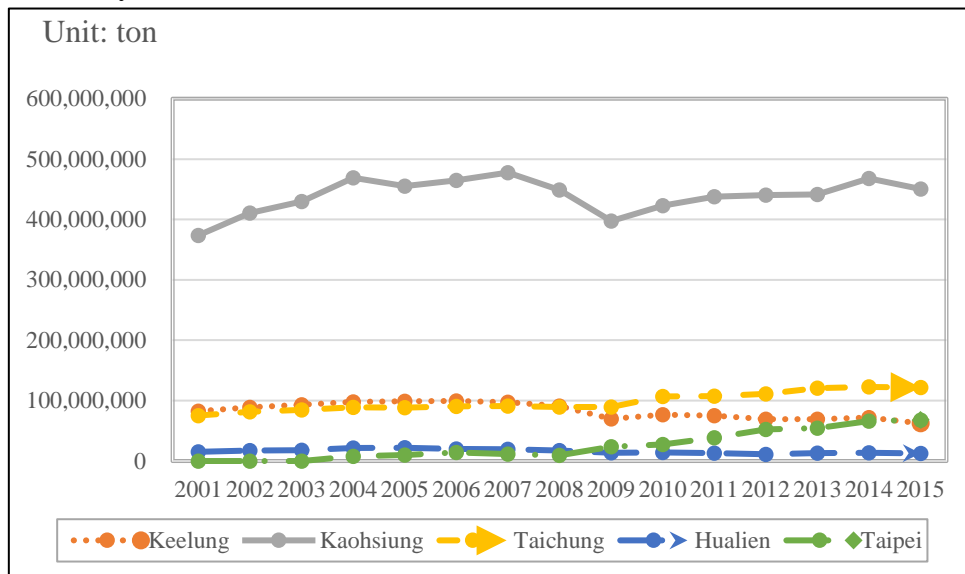


Figure 2. Growth in cargo loading/unloading volume (in tons)⁵

⁵ Cargo loading/unloading service in Taipei port was started in 2004.

Source: Ministry of Transportation and Communication <http://www.motc.gov.tw/en/index.jsp>

In 2015, Kaohsiung port accounted for approximately 70% of Taiwan’s total container throughput (1,445,337 TEUs), the remaining 30% being handled by Taichung (10,264,420 TEUs), Keelung (1,447,390 TEUs) and Taipei (1,334,506 TEUs). In particular, the emergence of Taipei container port in 2009 has attracted port cargo volume from Keelung port, as shown in Figure 3.

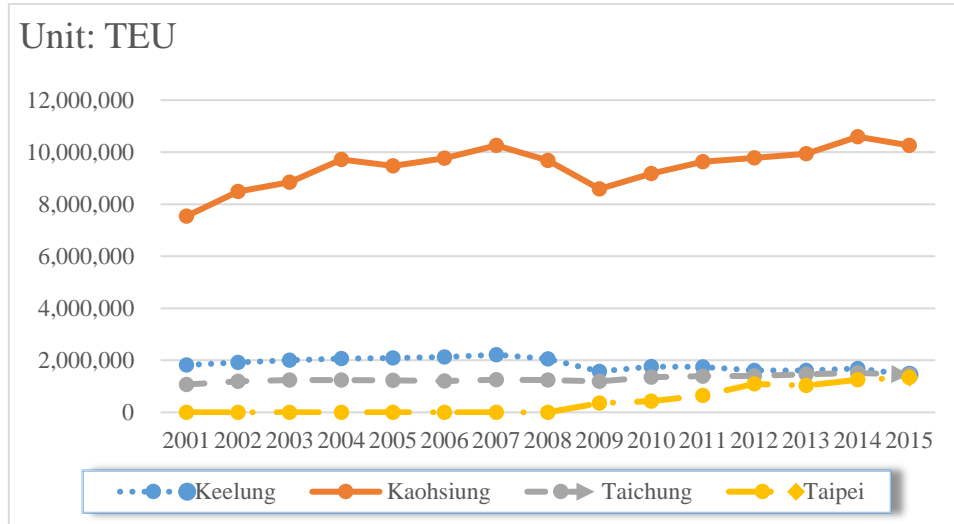


Figure 3. Growth in Container Throughput (in TEUs)⁶

Source: Ministry of Transportation and Communication <http://www.motc.gov.tw/en/index.jsp>

Figure 4 describes the trend of ship numbers in the main Taiwanese international ports. In 2015, Kaohsiung port was the busiest port (34,456 ships, 47.39%), followed by Taichung (15,587 ships, 21.33%), Keelung (11,839 ships, 16.28%), Taipei (8,278 ships, 11.39%) and Hualien (2,546 ships, 3.50%).

⁶ TEU-twenty-foot equivalent units. Container service in Taipei port was started in 2009. Hualien port do not provide container service. Source: Ministry of Transportation and Communication <http://www.motc.gov.tw/en/index.jsp>

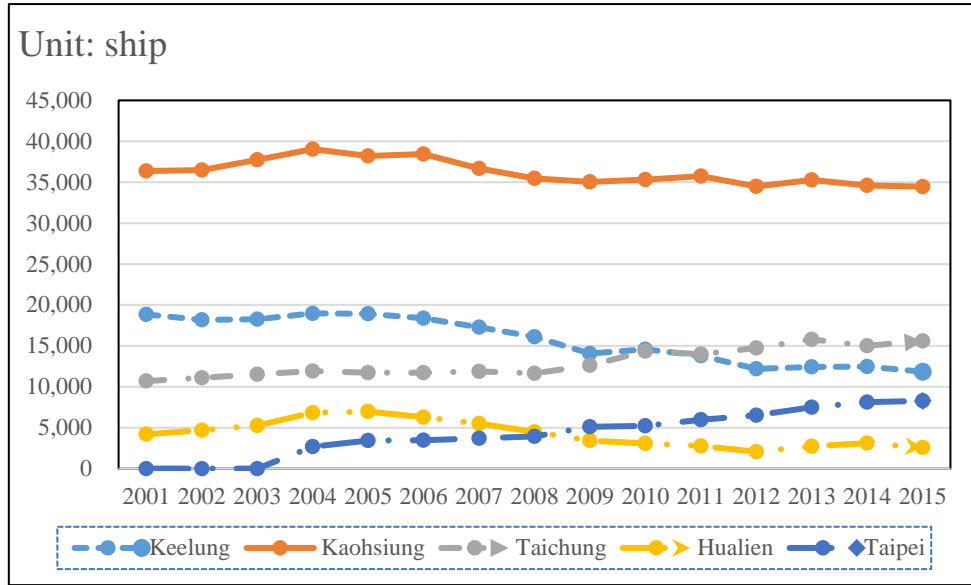


Figure 4. Ship number in Taiwan's main international ports

Source: Ministry of Transportation and Communication <http://www.motc.gov.tw/en/index.jsp>

Figure 5 shows the operation efficiency (measured in ton/person-hour) of each port in Taiwan. In 2015, Taichung port had the highest operation efficiency (174.49 ton/person-hour), followed by Kaohsiung (163.35 ton/person-hour), Keelung (148.65 ton/person-hour), Hualien (138.34 ton/person-hour) and Taipei (115.47 ton/person-hour). In particular, the operation efficiency of Taipei shows a significant increase during the years 2009~2012 due to its container terminals having started to operate in 2009.

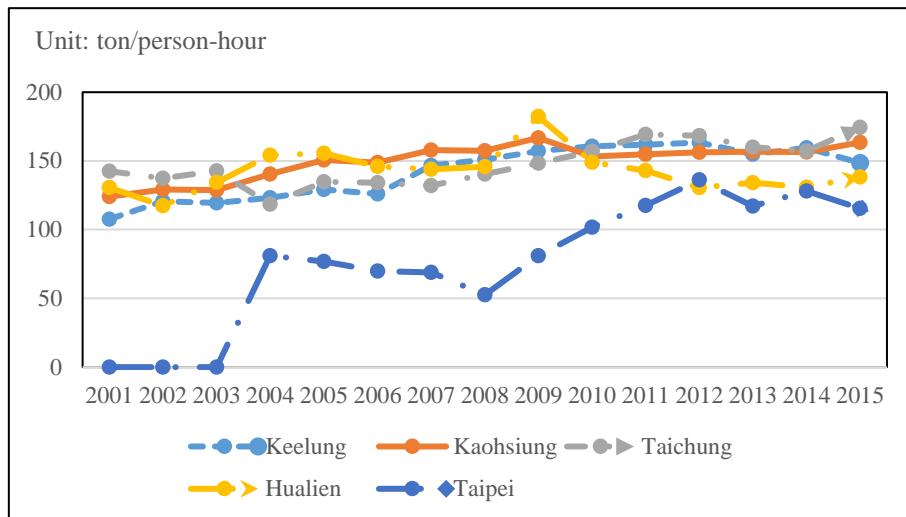


Figure 5. Operation efficiency (measured in ton/person-hour) in Taiwan's main international ports

Source: Ministry of Transportation and Communication <http://www.motc.gov.tw/en/index.jsp>

Note: Cargo loading/unloading service in Taipei port was started in 2004.

With regard to operation efficiency in ton/machine-hour, Figure 6 shows each port's situation in Taiwan. In 2015, Kaohsiung port had the highest operation efficiency (952.76 ton/machine-hour), followed by Keelung (840.12 ton/machine-hour), Taichung (564.77 ton/machine-hour), Taipei (583.07 ton/machine-hour) and Hualien (385.01 ton/machine-hour). In particular, Taipei port began operating in 2004 and its figure significantly increased during 2009~2012 after its container terminal began operation in 2009.

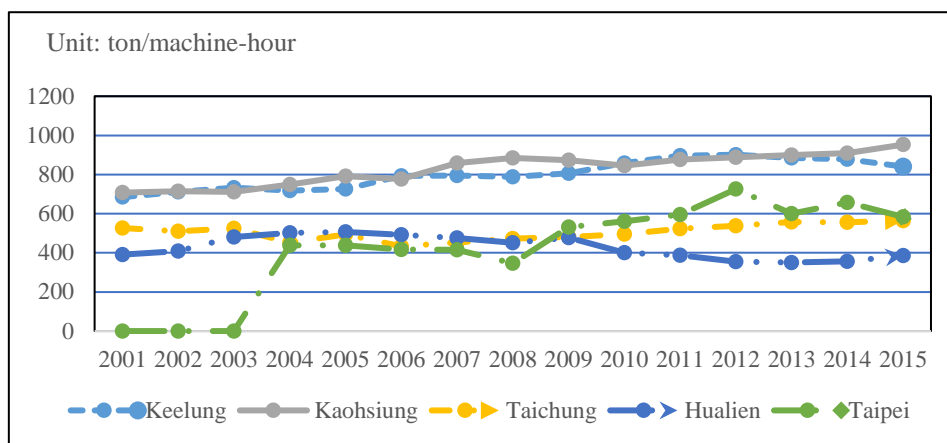


Figure 6. Operation efficiency (measured in ton/machine-hour) in Taiwan's main international ports

Source: Ministry of Transportation and Communication <http://www.motc.gov.tw/en/index.jsp>

Note: Cargo loading/unloading service in Taipei port was started in 2004.

In summary, with regard to trends in cargo/container (see Figure 2~3), ship numbers (see Figure 6) and the operation efficiency (see Figure 5~6) of Taiwanese ports, there is no noticeable or significant change in before and after year 2012, i.e. the year the port reform was introduced. However, it is easy to argue, and see, that most figures in cargo/container (see Figure 2~3) and ship number (see Figure 6) fell significantly in the year 2009-2010 during the global financial crisis. Consequently, it is possible to argue that although no significant changes happened after 2012, it may in fact be the case that the port reform helped stabilize the figures. Actually substantiating such an argument, is highly complex however, not least for the fact that the port reform, although introduced in 2012, has to some degree not yet been fully implemented.

2. The development of Port Governance Globally, and in Taiwan

2.1. Organised hypocrisy and port governance

Traditionally, organised hypocrisy, or where “talk and decisions pointing in one direction do not encourage actions in the same direction” (Brunsson, 2002, p.xv) can be regarded as “morally wrong” (ibid, p.xvii). Yet, not only is hypocrisy “a way of handling several conflicting values simultaneously” (ibid, p.xiii) but its absence has

been defined as fanaticism or as too strong a commitment to one's values (Newman, 1986, cited in Brunsson, 2002). Organised hypocrisy therefore allows flexibility and a way to move forward with what may appear to be inconsistent goals. An example Brunsson (2002) cites is of the Swedish referendum in 1980 on nuclear power. Despite widespread opposition to nuclear power amongst the public the decision that was made was that nuclear power would be expanded to the largest per capita production in the world on the basis that nuclear power plants would be shut down in 25 years' time. This allowed the government to meet immediate demand for electricity and at the same time say it would shut down nuclear power. Thus, hypocrisy allowed the government to handle several conflicting values simultaneously. As Brunsson notes, different interests may well demand different things of an organisation, and if an organisation wants to preserve inconsistent values, it "must be prepared to handle them on more procedural lines, rather than linking them to the achievement of action and results; values are better suited to handling in talk than action, and by reference to the future rather than the present" (Brunsson, 2002, p.233). In a port governance context, and in a Taiwanese port reform context specifically, organised hypocrisy provides a suitable lens through which to view progress as it affords an analysis of how Taiwan has approached introducing new values of decentralization and privatization whilst at the same time retaining more centralized and public aspects of port governance. In the next section we now review some of the literature on port governance and, where appropriate, draw parallels with where we see elements of organised hypocrisy at work.

2.2 Global Port Governance Development

In any study of port governance, it should be remembered that "the concept of governance has many meanings" (Vieira et al., 2014, p 646). According to Geiger (2009, cited in Vieira et al., 2014, p.646)) principally three meanings can be considered: "(i) it is a desired standard of corporate behaviour, particularly with respect to publicly traded companies with exchange trading; (ii) it is a concept associated with public policies, intermixed with the notion of 'government' or (iii) it is the coordination of actors of an organisation or business cluster." In comparison, Stoker (1998, cited in Wang et al., 2004, p.238-9) has five propositions of what may be regarded as 'governance', ranging from, "a set of institutions and actors that are drawn from but also beyond government" to, "the capacity to get things done which does not necessarily rest on the power of governments to command or use their authority." Thus, 'governance' itself can be understood in many different ways, and implemented in different ways.

Similarly, many governance related terms are complex. For example, what actually constitutes a 'port' and where a 'port' ends (cf. Vieira, et al., 2014). Often, port economics includes a need to consider the importance of the hinterland in terms of

access regimes and strategies (Notteboom et al., 2013) and ports should also be considered as part of a longer logistics chain (Vanelander, 2011).

In addition, the concept of 'economics' can itself be studied from many angles: historically; in terms of transaction costs; institutionally; neo-classically; in evolutionary terms and; geographically (Notteboom et al., 2013). Further, 'devolution' can consist of many stages, and is a broader concept than 'privatisation', "because it involves concession, sale, and also other forms of shared responsibility between the public and private sectors of port management" (Vieira et al., 2014, p.655). Also, 'privatisation' involves total devolution to private companies whereas 'commercialization' retains some control for the government but allows private companies to become involved (Brooks and Cullinane, 2006). Furthermore, rather than being complete entities, existing models have 'plasticity' and can be 'stretched' to allow for greater flexibility in response to particular issues (Notteboom et al., 2013). There is often therefore a possibility for organisations to have the flexibility to use hypocrisy as a solution to challenges faced and to cope with a number of different interests from different groups (cf. Brunsson, 2002).

Another consideration in variations in approaches to port governance is the importance of culture (cf. Hofstede, 1994) and how different approaches to governance may be influenced by culture at an industry, individual or geographical level. Culture has been found to play an important role in areas of port activities such as approaches to safety (Lu et al., 2012), and arguably influences approaches to governance as well. For example, in a UK context, port privatization has been argued to have been uniquely driven by a desire to offload public assets rather than increase competition (Baird and Valentine, 2006), whereas in an Italian context privatization has aimed to optimize port management (Valleri et al., 2006). Thus, Taiwanese (and arguably any) approaches to port governance and to understanding the meanings and implications behind any of the terms involved could well be individual. Similarly as with approaches to systems therefore, a paradox exists: in this case, the paradox that certain terms may be used and said to be key, but understandings of them may be individual, culturally nuanced, and therefore somewhat elusive to grasp. Here again, it could be argued that hypocrisy (Brunsson, 2002) gives governments the flexibility to be able to say one thing and to do another. In other words, differing interpretations of key terms allow a country to pursue a policy different from that of the neutral dictionary definition (Bakhtin, 1986) of the term whereby it would use a term as a stated approach but pursue this approach differently in its own unique way. It is in the context of a consideration of the above factors that any attempt to chart the route of port governance should be seen.

Regarding this route, a common port governance trend in the late twentieth and early twenty first centuries has been the decentralization of many ports to a landlord model,

whereby the public port authority acts as landlord and regulatory body, while private companies carry out port operations (World Bank, 2007). The landlord model was recommended by the European Union in 1997 (Carvalho and Marques, 2007) as the most effective model to gain private sector participation. It occupies the centre ground between the non-market oriented public port and the non-community and non-development focused private model (Ferrari et al., 2015). The landlord model has a number of variants according to geographical context. For example, in Europe, where the landlord model is widespread, a Latin model (common in for example, Spain and Italy) whereby a more centralized governmental framework is employed, exists alongside a Hanseatic model (common in, for example, Belgium and Sweden) where port authorities have greater independence from centralized government (Ferrari et al., 2015). Key to any landlord model are concession agreements (Ferrari et al., 2015), or “a contract in which a government transfers operating rights to private enterprise, which then engages in an activity conditional on government approval and subject to the terms of the contract” (Botham, 2014). Concession agreements allow governments to devolve responsibility yet at the same time retain control and safeguard public interests, and may involve the concessionaire being asked to contribute to the building or maintenance of infrastructure (ibid). Concession agreements can be awarded by several methods ranging from direct appointment, to tendering in a competitive process (Notteboom, 2006b).

An overview of port governance in many areas of the world shows this general trend and direction toward greater devolution. For example, in China, the process of port governance has shifted from highly centralized ownership and decision-making, to one whereby “policies of corporatization and privatization” (Cullinane and Wang, 2006a, p. 331) have created a much more market-oriented governance structure encouraging foreign investment and diversification of ownership of port assets. Such decentralization has been accompanied by a reduction in the number of governmental agencies, from 61 in 1982 to only 29 by 1998 (ibid). Italy also introduced the landlord model in 1994 (Ferrari and Musso, 2011) and Iberian ports also follow a landlord model (Gonzalez and Trujillo, 2008). Such decentralization has also characterized reforms in Greece, via the early twentieth century corporatization of 10 ports and also the public listing of Piraeus and Thessaloniki, albeit with the State retaining a 75% stake (Pallis, 2006). As with China, the aim here is to increase flexibility and to overcome “longterm inefficiencies” (ibid, p.166). Significantly, what can be seen here is the use of hypocrisy (Brunsson, 2002) in the approaches to port governance. For example, for Greece to state its move to a private model yet retain a 75% stake as government, public owned. Such an approach uses hypocrisy in the sense that the government can say one thing but do another; in this way it can satisfy a number of competing demands and stakeholders yet

still move ahead with its approach.

Within general trends of devolution, many different port governance types exist. In Europe, for example, approaches to stimulating and developing port competitiveness can be fairly passive, mildly active, or highly active; what Verhoeven and Vanoutrive (2012) respectively call conservator, facilitator, or entrepreneur. Different approaches can relate to geographical location but also to port size. Despite these different approaches, the general trend still exists towards greater devolution, privatization or commercialization, within each country's context and understanding of the terms. Underpinning all such trends and approaches is the desire to govern ports in a way that makes them more profitable and efficient, and, increasingly, a way that makes them more sustainable and green. Arguably, such approaches have been able to proceed in many cases by governments through the use of hypocrisy in order to satisfy a number of different stakeholders yet simultaneously introduce reform.

However, such changes in governance do not always result in improvements in profitability or efficiency. For example, with regard to devolution in China, although the efficiency of former State-Owned Enterprises (SOEs) was enhanced with devolution, profitability declined and government subsidies increased (Lin, 2004, cited in Cullinane and Wang, 2006a, p.341). Similarly, in the Iberian Peninsula (Castillo-Manzano and Asencio-Flores, 2012) ports show an ability to "eat up public funds" (Castillo-Manzano and Asencio-Flores, 2012, p.519). Nevertheless, should ports fail to be comparable price wise with others in the region, the danger exists that they may lose out to competitors, as has been predicted in the case of Singapore (Cullinane et al., 2006). Such costs can be initial as well as ongoing. For example, often the success of such privatization is due to the fact that ports have been sold at hugely undervalued prices, often with a significant loss to the taxpayer, and any gains in efficiency being due only to a deregulation of employment (e.g. in Britain (Saundry and Turnbull, 1997)). Thus, in order for governments to move forward with such devolving policies and to sustain them they may (consciously or not) use organised hypocrisy (Brunsson, 2002) to say they are privatizing for efficiency, but that they may need to fund such ostensibly devolved entities in order to allow them to survive and prosper.

Also, introduction of the landlord model alone does not necessarily lead to profitability. For example, Italy, despite having introduced the landlord model in 1994, experienced a significant loss of competition to its neighbours in the first part of the twenty first century, decreasing in market share from 20.7% in 2003 to 15.7% in 2008 to its European neighbours (Ferrari and Musso, 2011). Such a loss is argued to be due to inflexibilities, ones which could be solved, it is argued, through the introduction of concession agreements (Ferrari and Mussoi, 2011) as these would allow for greater flexibility and responsiveness. Nevertheless, Italy illustrates how a particular model and

approach can be (or appears to be) successful when first introduced, but is less so when neighbouring ports follow suit.

Such scenarios can endanger port profitability through creating intense competition between geographically close neighbours with a potential for future tariff wars (Castillo-Manzano and Asencio-Flores, 2012). It should be noted that in the case of the Iberian peninsula, however, such a scenario should be considered in the historical context of long and often intense rivalry (Alden, 1961).

Conversely, it is elsewhere suggested that rather than compete, closely located ports could benefit from forming alliances. For example, with Hong Kong and Shenzhen, it is suggested that Shenzhen port could benefit from forming alliance type strategies with Hong Kong rather than competing (Wang et al., 2012). Further, that such an alliance could accord each port differentiated services to avoid direct competition (ibid). Such differentiated roles of ports have also been noted to exist in other ports in China as well (Wang et al., 2004), where some activities considered lucrative have been retained by the government (e.g. pilotage in Shanghai) and there exist “variations in functional capabilities of ports” (Wang et al., 2004, p.249). Here therefore, hypocrisy (Brunsson, 2002) can be said to extend beyond the geographical individual confines of individual ports, allowing cooperation with neighbouring ports, to make them more competitive.

Perhaps it is essential to consider temporal and economic context, as “during a recession, ports may engage in cut-throat competition” (Wang et al., 2012, p.404). Further, it should be noted that port governance reforms are based both on responses to historical occurrences, and in response to anticipated scenarios (Notteboom, 2006a), which can be concluded on from analyses involving processes such as Markov chain analysis (Gurning and Cahoon, 2011, cited in Vanelslander, 2011). It is therefore possible that the global economic crisis of 2008 onwards provided an impetus for many ports to move towards the landlord model to cut costs, devolve responsibility to the private sector, with the aim to increase profitability.

Given the above complexities, varieties, and nuanced understandings of concepts and processes involved with port governance, it is understandable that measuring the impact of such changes on port performance is also highly complex. In terms of measuring port performance, this can be done in economic terms: “from the standpoint of technical efficiency, cost efficiency and effectiveness by comparing the port’s actual throughput with its economic technically efficient, cost efficient and effectiveness optimum throughput, respectively” (Talley, 2006) or Data Envelopment Analysis (Cullinane and Wang, 2006b) to calculate port efficiency through cross-sectional or panel data. Such data can indicate how efficient ports are, although such results may be hard to achieve in reality (ibid). For example, reforms made to Spain’s ports where governance moved towards a landlord model are argued to have had an impact on technological change,

but not on *technical* efficiency (Gonzalez and Trujillo, 2008). Despite this however, Gonzalez and Trujillo note that “there is however a significant movement of the efficiency within ports over time as a result of reforms.” (p.254). Another approach to measuring port efficiency is to compare it to performance benchmarks (Bichou, 2006) based on inputs or outputs. However, actually measuring the success and impact of a devolution programme is highly complex, and requires close contextualization within an individual government’s political aims regarding the data input (Brooks, 2006). For example, regarding UK devolution, significant loss of capital to the government was arguably not a concern to the government of the time given that its aim was a political one to convert public assets into private assets rather than achieve profits (Baird and Valentine, 2006). For the purposes of summary and later use in our results and analysis, we draw together six of these strands of what we see as governments’ use of organised hypocrisy in a port reform context into Table 1.

Table 1. Organised hypocrisy applied to port reform

Area	Examples	Affordances through hypocrisy
Individual interpretations of terminology	Privatization in a UK context versus a Greek context	To allow countries to appropriate vocabulary to their own contexts
Individual appropriations of key models	The landlord model in Latin versus Hanseatic forms	To allow countries to decentralize in their own way
The landlord model	Widespread use worldwide	To allow governments to decentralise yet retain control
Concession agreements	Used in many EU countries to decentralize yet retain governmental control	To allow countries to privatize yet retain governmental control
Cooperate to compete	Suggestions for Hong Kong and Shenzhen to work together	To allow competition through cooperation

2.3 Change Process of Port Governance Reform in Taiwan

It is light of the above that Taiwan’s approaches to reform should be considered. Previous to Taiwan’s port reform of 2012, under the Ministry of Transportation & Communication (MOTC), there were 4 port bureaus in international ports in charge of maritime and port administrations, and also port operations. For years, these units acted

as a public authority and took charge of port business management in a quasi-governmental role. However, under such an organisational structure, their legitimacy and fairness was questioned and port development was felt to be restricted by the complexity of the regulatory environment. Their perceived lack of flexibility and responsiveness to market changes was perceived to have impeded port development and consequently suppressed the development of international competitiveness (cf. Cullinane and Wang, 2006a; Pallis, 2006). Furthermore, such inflexibility and bias was also feared to impede Taiwan’s ability to make appropriate decisions regarding whether to retain ships found to have critical faults, as Port State Control was “administered by commercial port authorities, causing impartiality” (Liou et al., 2011, p. 36). Therefore, aiming to conduct government organisational reform and respond to global trends of dividing administration and operations, a decision (1st March 2012) was made to separate business management from the administrative system. Under this framework, the four port authorities were consolidated into two: Maritime and Port Bureau (MPB) and the Taiwan International Ports Corporation Ltd (TIPC). MPB acts as a government body and is in charge of maritime and port-related public administration. TIPC operates as a state run business in charge of business management and development (see Figure 7).

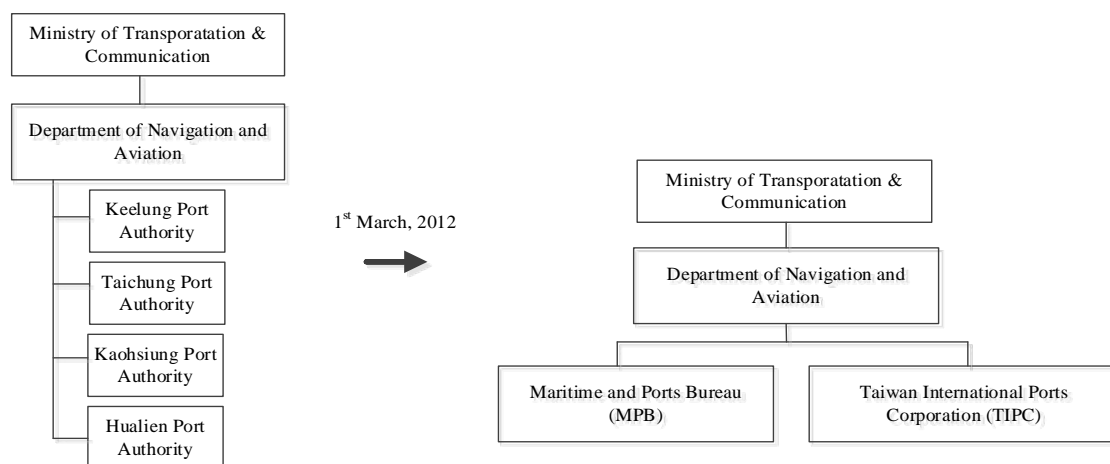


Figure 7. Port reform in Taiwan in 2012

The intention was to create a more streamlined model to increase responsiveness and efficiency, and devolve the business side of port governance more to the TIPC (cf. World Bank, 2007). The organisation structure of Department of Navigation and Aviation under the Ministry of Transportation and Communication in Taiwan is shown in Figure 8. Port and shipping affairs are supervised by the port development division, shipping management division and shipping technique division.

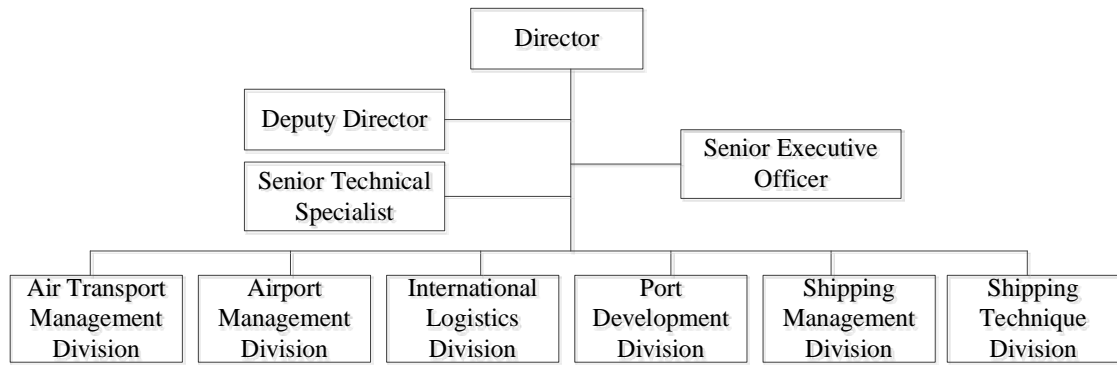


Figure 8. The organisation structure of Department of Navigation and Aviation

Under the Department of Navigation and Aviation are the Maritime and Ports Bureau (MPB) and the Taiwan International Ports Corporation (TIPC). As Figure 9 shows, the MPB is staffed with the Offices of Planning Division, Maritime Affairs Division, Vessel Management Division, Port Affairs Division, Crew Management Division, Maritime Safety Division, Secretariat, Personnel Office, Civil Service Ethics Office, Comptroller Office, Information Management Office and four Maritime Affairs Centers - North, Central, South, and East.

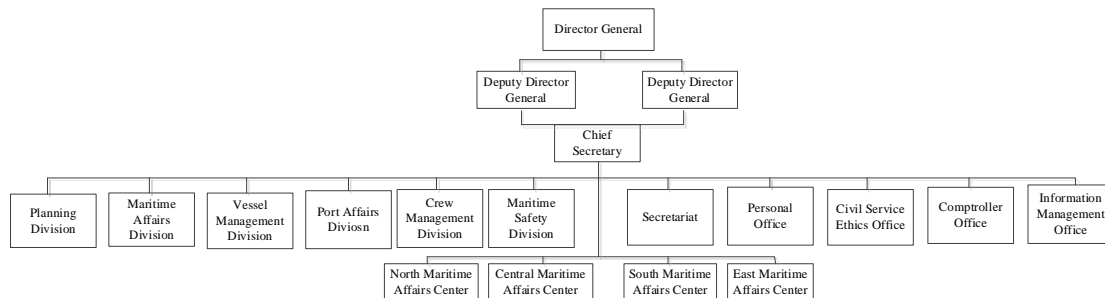


Figure 9. The organisational structure of MPB

In contrast to the relatively hierarchical structure of the government situated MPB, the state-run TIPC's organisational structure is framed on "responsibility center" principles. Subsidiaries are expected to achieve greater cost effectiveness and increase contributions to overall profitability. TIPC's headquarters provide subsidiaries with key strategic planning, operational effectiveness, business, engineering / facilities, information management and legal support. The TIPC administers Taiwan's 7 international ports (Kaohsiung, Keelung, Taichung, Hualien, Taipei, Suao, and Anping) and 2 domestic ports (Budai and Penghu). TIPC's four subsidiaries at the Ports of Kaohsiung, Keelung, Taichung, and Hualien handle all regular port operations and business relations (see Figure 10).

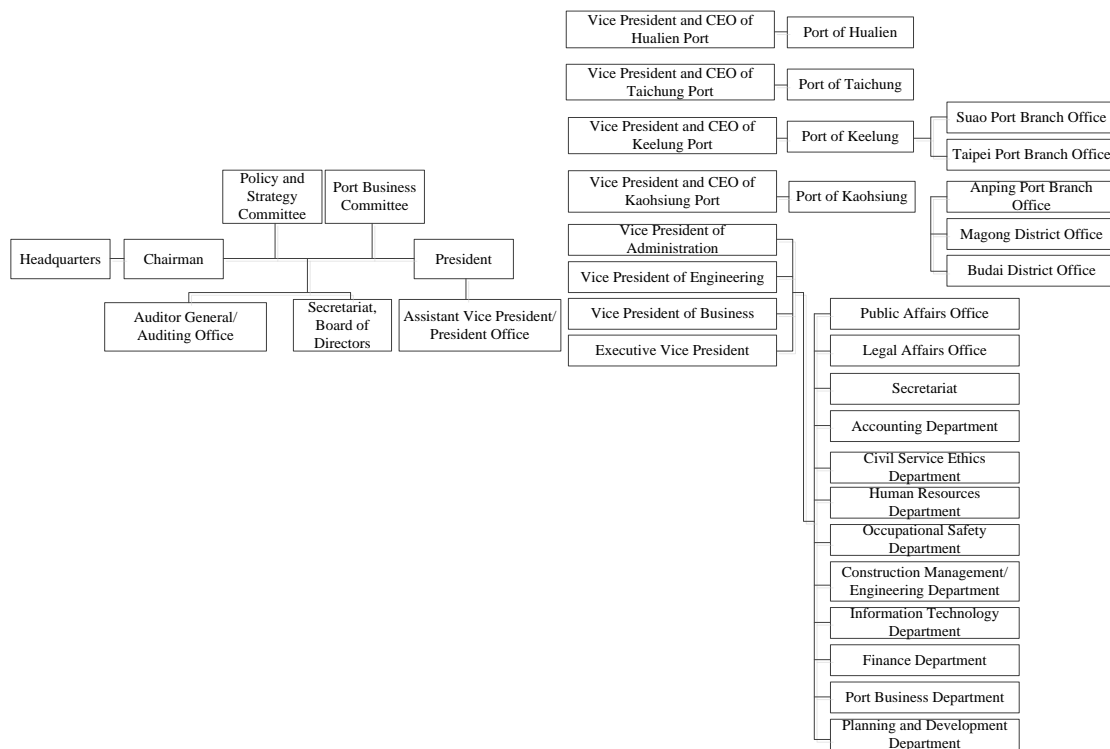


Figure 10. The organisational structure of TIPC

In summary, prior to 2012, the public maritime administration covered both administrative supervision and operations. This meant port authorities in Taiwan were both regulator and market player. However, following the 2012 port reform, the port authority was separated into two units: the MPB and TIPC. The MPB remained a public governmental organisation handling maritime and port affairs. However, its former authority over Taiwan's several Harbor Bureaus was ostensibly reassigned to the new Taiwan International Ports Corporation (TIPC). Here then, there was a degree whereby Taiwan used hypocrisy (Brunsson, 2002) to move forward in that it moved toward a private model but retained public ownership of much of the governance structures. The TIPC was designated to be a state-run enterprise created and tasked to handle comprehensive port operations, enhance operational efficiency and responsiveness, raise the international profile of Taiwan's international commercial ports, and spur domestic regional economic growth. Yet, here again, hypocrisy has been involved, as the TIPC was said to be an enterprise, but all the land it was asked to govern was still public owned, so the government was in a way acting at odds with its espoused intentions. In fact, without control of the land itself the TIPC does not have the necessary freedom to make decisions itself about how to generate profit using it, despite the government's establishment of it to do precisely this.

Regarding the challenges involved with introducing these changes, recent research (Chiu and Yen, 2015) the need to recruit younger and better skilled employees, to better

commercialize port businesses and services, to diversify more comprehensively, and to allow port companies to expand more fully overseas (Chiu and Yen, 2015). Notably, this research notes how such reforms have taken place in Taiwan only rather slowly. Thus, although Taiwan's reform follows global trends of devolution, these moves have the intention to increase efficiency and competition (cf Spain, China, Greece) rather than sell off public assets (contra the UK) or encourage foreign competition (contra China). Nevertheless, although Taiwan's reform may appear less revolutionary, less rapid, and less extensive than reforms elsewhere, they still arguably represent significant change. Thus, there may be some transitional issues, and the anticipated outcomes may be challenging to achieve. It is these issues and challenges we asked government officials about in our expert interviews.

3. In-Depth Expert Interviews

Although much research into aspects of logistics and port operations is predominantly quantitative (cf Pilcher and Cortazzi, 2016), the specific area of port governance has been predominantly qualitative in approach (Verhoeven and Vanoutrive, 2012). With a few exceptions (e.g. Chiu and Yen, 2015; Ferrari et al., 2015; Wang et al., 2004; Liou et al., 2011) the qualitative method of the interview is rarely used. Notably, the in-depth interview, although used (e.g. Liou et al., 2011 with 9 stakeholders), is used even more rarely. Here, we draw on data both from such in-depth qualitative interviews, and also on published data from Taiwan's government on the elements such as ship numbers, TEU and efficiency. Thus, our article draws on a case study approach that is heavily grounded in in-depth interviews. As such, the findings aim to be those of a theoretical basis that can be considered in other contexts (Flyvbjerg, 2006). Nevertheless, such studies are said to be emergent still and the specific link between governance models and performance "remains inconclusive" (Vieira et al., 2014, p.645) therefore making it challenging to measure impact.

In-depth interviews specifically were chosen as such interviews allow for negotiation of meaning and the ability to explore and discuss key information with participants (Holstein and Gubrium, 1995), thus revealing data that, when analysed, can reveal in-depth views of the motivations, progressions, and challenges behind the reforms to port governance in Taiwan. It is these areas that the interview questions focused on. In order to understand the actual port governance situation in Taiwan, experts in TIPC, MPB and Department of Navigation and Aviation were interviewed. These experts were selected based on three criteria. First, their related working experience should be more than 20 years. Second, their job title should be senior manager (director) above. Third, the interviewees should have a solid working reputation in the port field. Subsequently, eight experts (three in TIPC, three in MPB and two in Department of Navigation and

Aviation) who met these three criteria were interviewed in March, 2016.

In terms of the questions we asked, these consisted of questions such as ‘Do you have any problems regarding human resource recruitment?’ ‘Do you have any suggestions for Taiwan’s port development?’ or ‘Do you have any challenges in the TIPC?’ we did not specifically ask about the use of organised hypocrisy, rather we used the lens of organised hypocrisy in our analysis and reading of the interview transcripts. In terms of procedure, these interviews were conducted in the participants’ native language and then translated into English (Cortazzi et al., 2011). All interviews were approved by the relevant ethics committees, all data is anonymized to protect the individuals interviewed (Christians, 2011) and every possibility is made to ensure it is not possible to identify any individuals from the data used. The approach to analysis involved one of carefully reading and rereading the transcripts for emerging themes and meanings using the lens of organised hypocrisy in a form of diffractive analysis (Mazzei, 2014) where ideas changed after each reading. We now present and analyse these results.

4. Results and Analysis

We present and analyse our results in three broad sections: Aims, Rationale, and Administration (4.1); Human Resources, and Cooperation or Competition (4.2) and; Future Directions (4.3). In each section we present our arguments and points with illustrations in the form of quotes from our experts. We also analyse these results in light of the literature and through a lens of considering how hypocrisy is helping Taiwan move forward in its port reform process.

4.1 Aims, Rationale, and Administration

Regarding the aims and rationale of the port reform, this was often stated to be twofold: *“to enhance port management organisation and operation efficiency”*. Indeed, the previous public authority nature of the system meant, *“legitimacy and fairness was often questioned, and port development was restricted by the complexity of the regulatory environment”*. The previous bureaus, *“did not have enough flexibility or speed to respond to port market changes, and consequently this suppressed the development of international competitiveness”*. Thus, *“to separate business management from the administrative system, port reform was presented”* with *“the purpose... to avoid ‘players and referees becoming the same guy’”*. In other words, it was felt that previously the ‘players’ could make a poor decision or commit a foul, but the ‘referees’ would not punish them because they worked in the same department and protected each other. To deal with these issues, and in line with global trends, the system post-2012 was that, *“Ministry of Transportation and Communication (MTC) established the MPB to be a port management organisation, and the TIPC become a*

new company organisation after combining 4 previous port bureaus". Thus, *"now the TIPC is responsible for international port's business management and the MPB is responsible for public power regarding port affairs"*. Thus, in its rationale for reform, Taiwan has followed suit with other countries such as China (Cullinane and Wang, 2006) in introducing greater decentralization and more privatization. Taiwan's approach has arguably been a middle road one whereby it has been mildly active, or a facilitator (Verhoeven and Vanoutrive, 2012) in encouraging competition and in decentralizing. Similarly to Greece (Pallis, 2006), Taiwan has retained a governmental stake and not approached decentralization similarly to the UK (Baird and Valentine, 2006) and off-loaded public assets to the private sector. Politically therefore, Taiwan's approach has arguably been individual and one of compromise. When viewed through a lens of organised hypocrisy (Brunsson, 2002) Taiwan has move forward with its own unique landlord model and is aiming for efficiency and privatization yet retaining public ownership of management processes and overall control.

However, achieving these aims is proving challenging. Indeed, introducing extra levels of management has actually proved counterproductive and reduced flexibility. As one expert commented: *"some management strata have increased in the MPB between the Department of Navigation and Aviation and the TIPC... in addition, the regulation works have not decreased in the administration sector... and this has resulted in a decrease in the level of operational flexibility. Thus, currently the target of achieving the intended separation of administration and business management has not really succeeded"*. Perhaps inevitably, reducing the number of units from four to two was felt to have increased the TIPC's operation scale and had an adverse impact on scale economy: *"the operation scale of TIPC has become larger after combining the previous four port bureaus. Thus, if Taiwan would like to develop scale economy effects, it must integrate each port's resource and capabilities. So, it will face a unification challenge in the future"*.

In fact, the reforms now mean more communication is required, negatively impacting on efficiency: *"in the previous time (before 2012), each port bureau just directly reported to the Ministry of Transportation and Communication. Now, however, each TIPC's branch must be responsible for the TIPC's general company. If there is any important decision that needs to made, the TIPC's general company must be consulted. So, such an organisational requirement will delay the operational efficiency for each port's services"*. Also, communication is often problematic, as *"the TIPC sometimes has some problems associated with the fact that it does not know who is its real supervisor (Department of Navigation and Aviation (DNA) or the MPB). I think it needs time to adjust such a process so it works smoothly"*. A further communication issue is that although outwardly the MPB and TIPC are equal (See Figure 7), in reality, the

MPB has more power and is required to monitor the TIPC: *“the position between the MPB and the TIPC are equal according to the organisation system. However, the MPB must play a monitor role, such as to monitor port infrastructure engineering. Thus, the MPB has the power that it could commission the TIPC to plan and construct port’s works.... the Ministry of Transportation and Communication needs a dedicated unit to take charge of the communication between MPB and TIPC”*. This power differential has impacted on aspects of communication. In everyday operations, the TIPC is almost fettered or shackled in achieving its aims. Firstly, it does not have total freedom to use the land it has been given, and it is required to pay rent: *“currently each TIPC branch will play a landlord role to manage port facilities and conduct investment promotion. However, the public land of port does not belong to TIPC. TIPC only have usage rights based on business port law. The TIPC needs to pay rent to the MPB”*. Secondly, although it has been given freedom to make decisions in certain key areas, in others it is restricted: *“although the TIPC has a greater autonomy to decide their human recruitment, it has many restrictions in accounting, budgeting, the final accounting of revenue and expenditure, and also with regard to its finance, due to regulation rules of national (state-owned) business”*. There are therefore, key restrictions on the TIPC as a result of it being a government owned and managed enterprise. Thus, hypocrisy (Brunsson, 2002) has allowed Taiwan to move forward and create a landlord model (World Bank 2007), but one that does not yet allow total freedom. As different models of the landlord model exist elsewhere (e.g. Latin and Hanseatic (Ferrari et al., 2015)), so Taiwan has created its own unique one. Thus, when viewed through a lens of organised hypocrisy, Taiwan has moved forward in ‘private’ decentralization aimed to create efficiency and competition, yet retained ‘public’ state owned control of many elements of the unit designated to achieve this.

There are indeed many elements within the ‘private’ focused state-owned enterprise TIPC that remain ‘public’. With regard to personnel: *“although we have added labor director and professional director, representatives from central government are still the majority. They could take the main decisions. Also, the difference in different directors’ backgrounds may lead to conflicts and contradictions”*. Also, in terms of legislative aspects: *“if we look at the TIPC’s organisation law, the TIPC is only fully (100%) government owned enterprise within all government owned enterprises in Taiwan. If the TIPC would like to become privatized and release stock to the public, it will need time to revise its organisation law. Thus, this depends on future development”*.

These elements of governmental ownership go right to the heart of whether, and to what extent, Taiwan’s port reform is currently able to achieve its aims. As one expert noted: *“the TIPC is a government owned enterprise. It will face the challenge of how to run as a business. So, some challenges will come related to how to improve operation*

efficiency through commercialisation and privatisation". Similarly, as another expert noted, the TIPC, *"is a governmental owned enterprise. It has more flexibility in enterprise internal management and human resource (i.e. recruit). However, it still has restrictions in governmental enterprise rules"*.

Thus, currently, numerous challenges exist regarding whether Taiwan's port reform will achieve its aims. These are not necessarily insurmountable, nor are they necessarily long-term. As one expert noted, adjustment requires time. Clearly though, at the moment communication difficulties can be preventing efficiency. These are challenges that are perhaps inevitable in any change process but require attention in order to help Taiwan move forward. Possibly, more concession type agreements (cf Ferrari et al., 2015) could be introduced as Taiwan moves forward in order to push decentralization further. Alternatively, more promotion of cooperation with neighboring ports (cf. Wang et al. 2012) could help Taiwan learn from their approaches to governance as well as improve profit. Below, in future directions (4.4) we present and analyze results related to possible future approaches in more depth. Critically, however, viewed through a lens of organised hypocrisy, such an approach has allowed Taiwan to decentralize port reform yet satisfy different stakeholders by retaining much state control.

4.2 Human Resources, and Cooperation or Competition

Experts highlighted Human Resource related issues regarding the age and number of employees, the skills and abilities of employees, and 'working attitude'. In terms of age, experts felt the age of TIPC employees to be too high: *"currently the TIPC has... too many old employees and have too few young employees"*, and that *"the average age of employees is about 51-52"*. Some experts felt there were shortages of particular levels or types of employees: *"we do have a problem regarding a shortage of middle level personnel"* or that *"after it was separated into two units (the MPB and the TIPC), the number of employees in TIPC has however now become smaller. Yet, their work burden is the same."* To surmount these issues, training programs were planned: *"the TIPC will set up specific requirement to hire professional experts and build up professional training project and organize it into database."* Indeed, *"(1) we will work on an elite training program (2) use various sources to recruit employees (3) hope that central government could provide finance to encourage old employee to retire early and then we could recruit new employees to fill the job vacancies they leave... (4) train international professional experts."*

With regard to 'working attitude', this issue was intrinsically linked with the aims of port reform for greater competition and efficiency. One expert felt there was a, *"working attitude problem. In Taiwan, some operators would worry that TIPC's employees will not change their working attitude, and think they are still governmental"*

units. I think we could improve this through education training. Otherwise, an overly relaxed working attitude would result in failure for organisational change". As another expert noted, *"during the adjustment (change) period of constructing the new system of the organisation, it is important to change company employee's previous mindset or working attitude. Otherwise, if the employees still think they are public servants (government official), it is difficult to implement any human resource reformation"*. The approach to managing these issues would be one whereby Taiwan will seek to *"reduce redundant personnel"* and at the same time to, *"recruit new employees and strengthen human resource content"*. These results echo and confirm similar recent research in Taiwan (Chiu and Yen, 2015), and also place these suggestions within the wider context of the overall change process, thus seeing employee attitude change as integral to organisational change success. Without such changes in attitude, these experts felt that achieving the aims of the port reform would not be possible.

Experts made numerous comments regarding how Taiwan should approach the issue of competition or cooperation. For example, to work more productively, Taiwan needed to ensure cooperation between its own ports: *"Taiwan should establish a cooperative mechanism so as to avoid unnecessary competition within Taiwan's ports"*. Such an approach was felt essential to avoiding duplication of effort and unnecessary governmental expenditure: *"if we do not have a port cluster concept and each port just considers itself, it will face a scale need problem for each port. Since each port would then only invest in itself this will result in competition with each other. Each port will invest in the same facilities and add to the governmental financial burden"*. It was generally felt a port cluster could help Taiwan become an Asia-Pacific transshipment hub with a focus on service quality: *"the four main ports should actively become transshipment hubs in the Asia-Pacific area. Also, we should aim to enhance our service quality and competitive capabilities so as to attract shipping companies"*. Such a cluster would consider each port's particular advantages and could be integrated with the development of a Free Trade Zone concept and professional activities: *"we should consider each port's advantage and develop a port cluster synergy. These strategies could help Taiwan compete with other international ports. Also, employing a free trade zone concept is an important trend in Taiwan... and also of professional activities, since these will result in key impacts on national economy development"*. The target for Taiwan was felt to be regional: *"our target should be Mainland China and the South-East Asia market"*. Despite the need to be competitive there was at the same time the need to be socially responsible: *"port management is similar to general business. It has many competitors and should continually pursue port development and operation performance. Under the framework of enterprise social responsibility, however, port operators must take charge of more responsibilities. Business integrity management is*

also another work direction and challenge". Thus, our experts' views resonated with the suggestions in some of the literature that ports near each other work together to ensure better competition (Wang et al., 2012). Notably here as well, our experts also alluded to the need for enterprise social responsibility. Thus, although the focus of the reform was one of competition, there was a clear idea that such a move be tempered with a responsible approach, and also with a country-wide coordinated approach to creating competition and avoiding unnecessary duplication. Arguably, within an overall picture of port reform, such possibilities are afforded by Taiwan's retaining governmental control of certain administrative elements at the same time as pushing forward with privatization (cf. Brunsson, 2002).

4.3 Future Directions

Regarding the future directions of port reform in Taiwan, experts spoke about themes of diversification, particularly in the context of port cluster forming (see 4.2 above). They also spoke about general themes of continuing and extending the implementation of current port reform.

Regarding diversification, views were often related generally, for example, that *"we will work on a port and shipping related management service, the development and operation for a free trade zone (FTZ) and tourism & leisure, and also investment and reinvestment related businesses"*. Others spoke at great length about a numbered list of future directions, for example, that future development, *"includes (1) business port's planning, construction, and operation management. (2) maritime transport service management in the port area (3) development and operation for free trade zone. (4) tourism and leisure development and management (5) investment, reinvestment or management for national and international business (6) other authorised works by the Ministry of Transportation and Communication or related organisations"*. Or that: *"I think this could be separated into six possible directions (1) integrate four international ports to help achieve scale economy and increase its price negotiation capability. (2) port cluster cooperation capability. For example, we could cooperate with container ports in Xiamen and bulk port in Changchou. (3) maintain our core capabilities and increase revenue and public services. (4) integrate human resource and purchasing works and reduce repetition units through port integration. (5) introduce private businesses to improve our port operations (6) The TIPC's professional skills such as ocean engineering and tunnel engineering could be effectively developed in other countries to help obtain synergy"*. Such a diversification was also commented on as being numerous items in a possible range: *"this could include (1) berthing works.... (2) tug boat works.... (3) loading/unloading works... (4) warehousing works... (5) development investment"* (4). Each areas was commented on greatly, and although it is

not possible to cite all of this here, one example was that: “(5) *development investment. For example, we will review port’s geographic characteristics and nearby development conditions to plan feasible business according to different time periods for completion*”. Notably, although there was a large degree of convergence, there were also elements (e.g. tourism) that were commented on by some experts but not others. What is clear is that all experts had substantial future ambitions for Taiwan’s ports. It is also notable that one expert at least saw the extension of cluster cooperation with ports in China, thus suggesting cooperation rather than competition here. We would also note that such ambitions would only perhaps be achievable with a workforce fully onboard and committed to the development (cf. 4.2. above).

Often, this diversification was seen to operate alongside port-cluster formation. For example: “*with regard to port integration planning and positioning for each port, maybe there needs to be 1~2 key tasks for each port. Too many task items would result in a port lacking unique characteristics.*” Sometimes, experts also forwarded views on which tasks could be assigned to which ports, for example that “*I think Keelung port should develop itself into a short sea shipping and leisure port. Taipei port should be positioned as a transshipment hub for deep sea shipping in order to supplement the shortcomings of water depth in the other ports.*” Similarly: “*under the principle of separation of administration and business management, I think the TIPC should focus on creative businesses and not play the general management role. A future goal should be to let each branch have full autonomy to work. For example, Kaohsiung port should take charge of port business affairs and Keelung port should take charge of engineering planning. Such an approach would reduce much needless repetition of resources.*” There was thus a feeling that future diversification is part of the strategy of port-cluster formation, and that this strategy complements and helps extend the principle of working together in order to compete (cf. Brunsson, 2002).

With regard to the further implementation and development of port reform, what is notable here is that to date (as of March 2016) the reform (of 2012) has not yet been implemented: “*The organisation law for the MPB has not yet been officially promulgated. The MPB made an amendment to the provisional organisation regulations on January 1, 2013, and adopted the civil service employee system. The original personnel system, however, is still applicable to the staff of transportation and information administration and customs. The amended provisional organisation regulations have been submitted to the Executive Yuan for approval and the Examination Yuan for filing. The related posts are being classified for civil service ranking and recruitment is still on going.*” Arguably, such an approach of slow implementation allows for the new reforms to be introduced gradually and slowly. Taiwan can therefore benefit from saying it has created a reform but in actual fact

introducing it slowly (cf. Brunsson, 2002). Such an approach also has the advantage that Taiwan can see how the reform is received and how it transpires, and also consider ways in which it can be extended and developed. In particular, experts felt the TIPC's role could be extended and developed. For example, one expert commented that *"first, the TIPC should strengthen its internal control system and company management mechanism. It should add more flexibility and safer designs to suit the international competition environment. Second, the necessary company information should be made public on the website, such as company management, financial performance and company governance. Third, it should protect the rights of stakeholders, including company employees, local government, customers, cooperative partners and residents who live near the port."* Another interviewee commented on how the TIPC could play a role in driving decentralization further forward: *"the TIPC should consider the usage efficiency of integral port resources. I think it could consider to make partial port businesses adjust to be "joint venture by private enterprises". This means the TIPC establish branches which the governmental stocks is less than 50% and cooperate with private enterprises. Therefore, it could rely on the supply from private business efficiency and flexibility to achieve win-win target. However, such a process needs help from the Ministry of Transportation and Communication"*. Nevertheless, again there was the idea expressed that governmental control and monitoring still needed to be maintained even with driving further ahead. For example, that the TIPC needed to be monitored by the MTC: *"for the MTC, in order for it to effectively monitor the TIPC, it should consider "legitimacy" and "appropriateness". Legitimacy is a legal duty to manage Taiwan's ports and it is based on its founding law which included "The Commercial Port Law" and "The Taiwan International Ports Corporation, Ltd. Establishment Act" and related laws."* Thus, definitions and understandings were very much placed in a Taiwan specific understanding of governance (cf. Vieira et al., 2014) although more standard approaches to measuring performance in economic terms (cf. Talley, 2006) were also used.

5. Discussion and Conclusions

The results from our interviews show that Taiwan's current approaches to port governance, and its future direction in port governance both resonate in many ways with the themes in the literature but also reveal many unique characteristics at the same time. Taiwan is indeed heading down the road to greater devolution, and the landlord model (World Bank, 2007) was indeed mentioned in our data. Nevertheless, Taiwan's introduction of these initiatives is happening very much later than in other parts of the world (e.g. Italy in 1994 (Ferrari and Musso, 2011); China in 2004 (Cullinane and Wang, 2006a)), and its introduction of them is arguably much less complete than in other parts

of the world (e.g. the UK (Baird and Valentine, 2006)). Indeed, in Taiwan, the approach is very much one of reforming to increase the private element of port governance, but retaining public governmental control. In other words, it is saying one thing, but acting in another, in a form of hypocrisy (cf. Brunsson, 2002). Arguably, however, this approach is allowing Taiwan to work through a dilemma in its port governance. It clearly needs to reform its port governance in the light of a drop in income and profitability, but to break completely with its past would be too severe an action, and so an approach that incorporates a degree of hypocrisy allows it to act with flexibility (Brunsson, 2002). Indeed, as has been noted elsewhere, Taiwan has a need to recruit younger employees in its port governance who have the necessary work ethic (Chiu and Yen, 2015). Our data here expands somewhat on this and highlights the fact that this change in personnel should be seen as part of a wider holistic picture of the success of the port reform as a whole. By moving in this way, and espousing the need for the private yet retaining some of the public, Taiwan has the flexibility to do this. It means it can retain its older employees and transfer their experience to the younger generation; it means it can continue to reform but retain much of its old system; and it means it can change but do so without the need for revolutionary changes.

Such a flexibility can be seen in the future directions our interviewees talked about and in the fact that the reform law is still being promulgated, and of how it can be extended. Our interviewees talked about the need for Taiwan to avoid the danger that its ports would be too competitive with each other (cf. Iberia (Castillo-Manzano and Asencio-Flores, 2012)) and that they must cooperate with each other and possibly with other ports in China (cf. Wang et al., 2012). They also talked of the need to diversify, to become more private, and to expand business into other areas, and of the fact that the organisation law for the MPB had not yet been promulgated. In other words, our interviewees talked at length about a number of elements that they would like to occur in the future, yet elements which were specifically those that the port reform of 2012 intended to create. Thus, the reform of 2012 represents a stage in an ongoing and evolving process.

On the other hand, however, our data also show that such a strategy, whether conscious or not, is not without its risks. Ironically, although the use of hypocrisy has allowed Taiwan to move ahead in this strategic direction, it has also meant that contrary to its intended aim, it has actually created less flexibility for its ports. Instead of making port governance more simple and straightforward by combining 4 bureaus into 2, what has actually happened is that more bureaucracy has been introduced. As Taiwan has moved toward the private but nevertheless retained public control, it has introduced an extra strata of management that needs to be passed through before any decisions can be made. This has had the counterproductive result that flexibility has been reduced; in

turn this could affect Taiwan's ports adversely. It could mean that in fact Taiwan's ports go through an adjustment period before the reform fully takes effect.

For future research, we envision investigating how Taiwan continues to negotiate changes. We envision more specific studies directed to measuring the impact of port governance policies. We found very little here to suggest any impact apart from the complexities of measuring it per se, and of the issues of when such a measurement should take place. We also envision a way forward to study specifically how port governance policies are influenced by regional moves, and also how port governance can be seen through a lens of hypocrisy elsewhere. Also, we feel more quantitative studies that tie in the effects of reform with changes in port figures, but which contextualizes these in the wider economic context of the time would be beneficial. In addition, as much of the literature above shows (e.g. Wang et al., 2012), it is possible that cooperation between ports within regions is a way forward. This was something suggested by our interviewees as well. Perhaps future research could look at how port governance can move to a level whereby it is not done nationally but internationally, for the benefit of all involved.

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