

The Evolution of the Village Franchise System in Taiwan, 1644-1737

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ABSTRACT

Starting from 1642, the colonial government of the Dutch East India Company in Taiwan required all Chinese merchants to apply for a permit before entering the aboriginal villages for trade. Two years later, a bidding system was introduced to determine the fee of the permit. This is the origin of the village franchise system in Taiwan. Under this system, a tax was levied on the trade between the franchisee and the aboriginal deer hunters, and the tax rate varied from year to year because the franchise fee was determined by bidding. The Cheng regime inherited the franchise system from the Dutch, while the Feng-shan eight villages changed the franchise system into a head tax system. When the Ching dynasty took over Taiwan, it adopted the system from the Cheng regime with a change. Instead of being determined by bidding, the franchise fees became fixed. This study traces the evolution of the village franchise system from the Dutch colonial government to the Ching rule, and discusses its effects on the aboriginal economy.

Keywords: Village Franchise System, Aborigine, Tax, Bidding