Faith-Based Social Enterprises in Taiwan:

The Transformation of Religious Organizations in the Context of Social and Economic Change

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Submitted to the Faculty of

Department of International Affairs in partial fulfillment of

the requirements for the degree of

Bachelor of Arts in International Affairs

Wenzao Ursuline University of Languages

2026

WENZAO URSULINE UNIVERSITY OF LANGUAGES

DEPARTMENT OF INTERNATIONAL AFFAIRS

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It was defended on

November 15, 2025

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Responding to Reviewers (1st stage on Nov. 15, 2025)

Q1: What is the main research question of this study?

The central question is whether religious organizations have evolved from traditional non-profit institutions into social enterprises, particularly as forms of spiritual consumption diversify and more managerial structures are adopted.

In Taiwan, temples have long served as important sites for religious worship, cultural heritage, and community cohesion. However, with ongoing social change and the diversification of societal needs, many temples have gradually expanded their functions beyond traditional rituals and spiritual practices. Increasingly, temples engage in social welfare activities such as financial assistance for disadvantaged groups, scholarship programs, elderly care support, and community development initiatives. At the same time, they sustain their operations through cultural and creative merchandise, religious tourism, festival events, and other revenue-generating activities. These developments reflect a dual logic that blends religious or social mission with market-oriented practices—an approach that aligns with the conceptual framework of social enterprises. Therefore, the central research question of this study is: **Do temples in Taiwan exhibit characteristics of social enterprises, and can they be understood as a distinct form of faith-based social enterprise?** To answer this question, the study

examines temples' philanthropic engagement, economic activities, governance structures, and social impact through literature analysis, in-depth interviews, and field observations, assessing the extent to which their practices correspond to the core principles of social enterprise.

Q2: Do large religious organizations solve social problems and generate positive impact, or do they create new problems? Why?

No, these religious organizations do not resolve social problems outright; however, they generate social impact and contribute to easing such issues. Large religious organizations in Taiwan possess a significant degree of social influence, and their societal role often displays dual nature. On the one hand, their ample resources, well-developed organizational structures, and strong mobilization capacity enable them to deliver large-scale social services, including humanitarian assistance, cultural and educational initiatives, disaster relief, and programs supporting vulnerable populations (page.9 to page.16). These contributions help fill gaps left by the state and the market, positioning such organizations as essential actors in addressing social needs.

On the other hand, the concentration of resources and power within large religious organizations also raises concerns. Issues such as limited financial transparency, insufficient oversight, and the commercialization of religious activities may generate

new forms of social tension. Furthermore, the intersection of religion and local politics, particularly in electoral mobilization, can lead to controversies over fairness, governance, and the disproportionate influence of certain religious groups. As a result, while large religious organizations play a crucial role in providing public benefits, they may simultaneously produce negative externalities if their governance mechanisms are not sufficiently transparent or accountable. Their impact, therefore, must be assessed critically, acknowledging both the social value they create, and the potential risks associated with their institutional power.

Q3: What role do small temples play in society, and how can they contribute compared with large religious organizations?

Small temples in Taiwan function as community centers and offer services that provide local residents with psychological comfort. They do not possess extensive resources or institutionalized structures characteristic of large religious organizations; they occupy an indispensable position within local communities. Many small temples are deeply embedded in neighborhood life, serving as cultural centers, gathering spaces, and symbols of collective identity. Their proximity to residents allows them to provide low-threshold, everyday forms of support—such as distributing relief goods, sponsoring school or community events, and offering public space for social

interaction. This type of localized care, while modest in scale, is highly relational and continuous, creating social cohesion that large organizations may find difficult to replicate.

Small temples also play a vital role in preserving cultural traditions. Through annual festivals, rituals, and communal ceremonies, they sustain local cultural heritage and reinforce a sense of belonging among residents. While their social services may not be formalized or professionally structured, their strong embeddedness within community networks enables them to respond flexibly to local needs and to function as important nodes of social capital. Compared to the broad, systematized influence of large religious organizations, small temples contribute to society through their local responsiveness, cultural continuity, and capacity to strengthen community resilience.

We are truly grateful to the reviewers for taking the time to read our thesis with such care and for offering thoughtful suggestions and meaningful questions. Your feedback encouraged us to reflect more deeply on our ideas and helped us express our arguments more clearly. Each comment guided us toward improving the quality and direction of our research, and we learned a great deal throughout the revision process. Thank you sincerely for your guidance and encouragement. Your support not only helped us strengthen this thesis but also gave us valuable learning experiences that we will carry forward.

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Wenzao Ursuline University of Languages, 2026

Abstract

For many decades, religion has played an important role in Taiwan's culture and daily life. Temples of Buddhism, Taoism, and folk beliefs are not only centers of faith and community but also places of moral guidance. In recent years, social and economic changes, such as modernization, urbanization, and new social values have influenced the implementation of religious organizations. Although temples remain some of the most stable institutions in Taiwan, their roles are becoming more diverse. Some religious organizations are clearly moving toward social enterprise models, combining faith with social service and modern management. Others still stay between traditional practices and new forms of organization, slowly exploring how to connect religion with society in modern ways. Meanwhile, the rise of spiritual consumption, where faith, culture, and lifestyle integrate with the demand of the market, has changed how people experience religion and how temples present their values.

This study explores how temples and religious organizations in Taiwan are transforming from traditional spiritual centers into formal organizations that also take on social and economic roles. Based on Humanistic Buddhism and social enterprise theory, this research investigates how temples improve their management, increase community participation, and create sustainable business models. By studying cases such as Fo Guang Shan and Tzu Chi, the researchers found that large organizations

have successfully combined faith, charity, and management sustainability, while smaller temples join the new “religious economy” through cultural tourism, creative merchandises, and social activities.

The study tries to point out that Taiwan still lacks clear legal requirements for religious organizations. Although some government rules exist, because the nature of religion, many temples operate in loosely regulated spaces that mix religion, business, and community service. Because of this, the government often finds it difficult to supervise temple finances or define its legal responsibilities. As a result, some temples have therefore begun to adopt more professional and transparent management models and also adopt social enterprise concepts to build public trust and credibility.

Overall, this study investigates temple transformation from the background of Taiwanese modernization and democratization. It discusses whether these changes are passive reactions to social pressure or active attempts to redefine what role of religion in modern society. The study shows that temples in Taiwan are becoming bridges between traditional belief and modern life through social participation, spiritual consumption, and community service. They not only preserve their spiritual significance but also contribute positively to education, environmental protection, and social welfare. In this way, religion in Taiwan demonstrates enduring creativity, adaptability, and social relevance, illustrating that faith can continue to play a meaningful and evolving role in a rapidly changing society

In addition, this study further examines how religious organizations, when facing social and economic pressures, strive to balance maintaining their religious essence with fulfilling their social responsibilities. Applying the concept of Humanistic Buddhism with the framework of social enterprise, it highlights the Hybrid

Organization of temples that balance faith, economy, and public responsibility. The findings also show that temple transformation is not only an organizational adjustment but also a reflection of how Taiwanese society negotiates between tradition and modern values. Ultimately, the study provides insight into the ongoing dialogue between religion and modernization, emphasizing that temples remain vital agents in sustaining moral values and social cohesion in contemporary Taiwan.

Key Word: Social Enterprise, Spiritual Consumption, Humanistic Buddhism, Hybrid Organization

台灣信仰導向社會企業：宗教組織在社會與經濟變遷中的轉型

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摘要

宗教長久以來在台灣的文化與日常生活中扮演重要角色。佛教、道教與民間信仰的廟宇不僅是信仰中心，也兼具社區凝聚與道德教化的功能。近年來，隨著現代化、都市化及社會價值觀的改變，宗教組織的運作方式亦受到影響。雖然廟宇仍是台灣最穩定的社會機構之一，其角色正逐漸多元化；部分廟宇朝向結合信仰、社會服務與現代管理的社會企業模式發展，而另一些則仍介於傳統宗教與新型組織之間，逐步探索如何以現代方式連結社會。同時，「靈性消費」的興起使信仰、文化與市場結合，也改變了人們體驗宗教與廟宇展現價值的方式。

本研究探討台灣的廟宇與宗教組織如何從傳統的宗教中心轉變為兼具社會與經濟功能的組織。以人間佛教理念與社會企業理論為基礎，本研究分析廟宇如何改善管理、提升社區參與並發展具創意與永續性的經營模式。透過佛光山與慈濟等案例，研究發現大型宗教組織能成功結合信仰、慈善與經濟永續；而規模較小的廟宇則透過文化觀光、文創商品及社會活動參與新的「宗教經濟」模式。

研究同時指出，台灣尚缺乏明確的宗教組織法制架構。雖然部分規範已存在，但執行效果有限，許多廟宇仍在宗教、商業與社會服務交錯的灰色地帶運

作，使政府難以監督財務或明確界定其法律責任。部分廟宇因此開始執行更專業化與透明化的管理模式，並導入社會企業理念，以建立公眾信任與合法性。

整體而言，本研究將廟宇轉型置於台灣現代化與民主化的歷史脈絡之中，探討此一變遷究竟是被動回應社會壓力，或是主動重塑宗教意義的積極行動。研究認為，台灣的廟宇正逐漸成為傳統與現代之間的橋樑。透過社會參與、靈性消費與社區服務，它們不僅維繫宗教精神，更在教育、環保與社會福利等領域產生正面影響。宗教在台灣展現出創造力、彈性與社會價值，證明信仰在快速變遷的時代中仍具有持續演化的重要角色。

此外，本研究進一步說明宗教組織在面對社會與經濟壓力時，如何在保持宗教本質與實踐社會責任之間取得平衡。透過人間佛教與社會企業的理論架構，揭示廟宇作為「混合型組織」的特質，兼顧信仰、經濟與公益責任。研究結果指出，廟宇的轉型不僅是一種組織上的調整，更反映出台灣社會在傳統與現代價值之間的協商過程。最終，本研究強調宗教仍是維繫社會倫理與社群凝聚的重要力量，展現信仰在當代台灣社會中持續發揮的積極影響。

關鍵字:社會企業、靈性消費、人間佛教、混合型組織

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ACKNOWLEDGEMENT

After completing this thesis, we would like to express our heartfelt gratitude to our advisor, Professor Margarita Sheu, for her patient guidance, constant encouragement, and valuable advice throughout this academic journey. Her insightful feedback and warm support have inspired us both academically and personally. We are truly thankful for her dedication and care, which have been a great source of motivation and strength for our entire group.

We would also like to sincerely thank the temple staff and participants from Dajia Jenn Lann Temple, Shekou Wanxing Temple, and Fengyuan Ciji Temple, as well as from Kaohsiung Sanfeng Temple, Kaohsiung Yuhuang Temple, and Taipei Jingfu Temple. Their kindness, cooperation, and openness in sharing their experiences made our fieldwork both meaningful and memorable. Each interview and observation offered valuable insights that became the heart of this research.

Our heartfelt thanks also go to the temple communities for welcoming us with warmth and generosity. Their willingness to assist us during the research process not only made our data collection possible but also helped us understand the profound connection between faith, culture, and society in Taiwan's temple tradition.

Lastly, we would like to express our sincere gratitude to our families and friends for their endless support, patience, and encouragement. Their understanding and care accompanied us through every stage of this research. This achievement belongs to all of us, and we are truly grateful to everyone who has been part of this journey.

INTRODUCTION

Motivation

Taiwan is recognized for its religious diversity and a high degree of religious freedom. According to statistics from the Ministry of the Interior, Buddhism, Taoism, and various forms of Folk religions constitute the dominant faiths, with temples and religious activities playing an integral role in the daily lives of Taiwanese. In recent years, religious organizations have encountered increasing challenges stemming from socio-economic transformations, including urbanization, declining birth rates, and an aging population. These changes have led to fewer followers and smaller donations, putting pressure on temples that have long depended on people's offerings and incense money to stay afloat. In response, numerous temples have adopted alternative strategies to secure funding, including the commercialization of some by-products of religion, the development of cultural and creative models, and the integration of religious places with tourism. This phenomenon, often referred to as "spiritual consumption," has evoked public criticism and concerns over the commercialization and marketization of religious faith. Critics argue that such practices may undermine the sanctity and spiritual integrity of religious institutions. Nonetheless, from another perspective, these developments may be viewed as adaptive responses to economic pressures, enabling temples to maintain their relevance and operational viability in such a rapidly changing society.

Notably, certain Buddhist organizations have drawn upon the concept of Humanistic Buddhism, which emphasizes the application of Buddhist teachings in everyday life and the pursuit of social engagement. Inspired by this philosophy, some temples have begun to incorporate social entrepreneurial models into their operations, seeking to balance economic

sustainability, social responsibility, and religious values. This integration of economic and spiritual objectives reflects an innovative transformation of religious institutions, moving to a socially conscious entrepreneurship.

Moreover, the gradual tightening of governmental control and regulatory frameworks regarding religious finances has further forced temples to move from informal economic activities to more transparent and accountable operations. This shift represents not only a response to external legal and economic pressures but also an internal redefinition of the relationship between religion, society, and economy.

Given this context, this study aims to investigate the socio-economic factors and institutional operations that make religious organizations move from informal to formal. Specifically, it seeks to examine whether this transformation constitutes a passive adaptation to economic decline or an active, strategic movement with the principles of social enterprise and the ideals of Humanistic Buddhism. Through this inquiry, the study intends to contribute to a deeper understanding of how contemporary religious institutions navigate the complex interplay between spiritual authenticity, economic sustainability as well as social accountability.

Background

1.1 Historical Development (Democratization)

The religious development of Taiwan is not limited to Buddhist organizations; other belief systems such as Taoism, Christianity (including both Protestantism and Catholicism), and Yiguandao have also played significant roles in Taiwan. Together, they have constructed a diverse religious landscape. These religions have impacted not only faith practices but have also exerted substantial influence in cultural, educational, and social services, thereby

contributing—alongside Buddhist organizations—to the tight integration of religion and society.

In 1949, following the conclusion of the Chinese Civil War, the Kuomintang (KMT) government retreated to Taiwan and imposed martial law for a duration of 38 years and 56 days. During this period, religious development in Taiwan came under strict surveillance, marking a unique historical era. During the martial law period, the Taiwanese government adopted rigid control over religious activities, following the religious management model from mainland China. Through legislation and policy, the state regulated religious development—for instance, the Temple Management Ordinance of 1951 mandated the registration of all religious venues across Taiwan and placed temple properties under governmental supervision to prevent "religious fraud" or the spread of "heresies." This led to the suppression of certain local beliefs, such as the Wangye(王爺) and Mazu(媽祖) cults, thereby affecting the growth of Taiwan's folk religions. So, Taiwan maintained a profound religious foundation. The KMT's retreat brought many religious leaders from mainland China, including Master Yin Shun, Master Bai Sheng, and Master Ci Hang, whose contributions had an important impact on the academic research and development of Buddhism in Taiwan.

1.2 Lifting Martial Law: A Towering Historical Barrier

The idea of "Humanistic Buddhism" (renjian fofa) advocated by Master Yin Shun, who had influenced later Buddhist leaders such as Master Hsing Yun and Master Cheng Yen. Their efforts led to the establishment of major Buddhist organizations like Fo Guang Shan and Tzu Chi. This religious school emphasized practical engagement—beyond doing good quietly —

to directly assist those in need. Master Cheng Yen of Tzu Chi, for instance, promoted the vision of "elevating human character and creating a pure land on Earth."

Despite government supervision, Taoist and folk religious rituals continued through local religious events, such as the Dajia Mazu Pilgrimage and the Baishatun Mazu Procession. These practices experienced rapid growth after the lifting of martial law.

1.3 The Hands-on Influence of Western Religions

The development of Christianity in Taiwan has been closely tied to Western missionaries. In the 19th century, George Leslie Mackay and James Laidlaw Maxwell arrived in Taiwan to evangelize, establishing medical and educational institutions in the northern and southern Taiwan, such as Mackay Memorial Hospital and Changhua Christian Hospital—both still play significant roles in the Taiwanese medical industry.

After the KMT retreated to Taiwan in 1949, many Christians and Catholics from mainland China also moved to the island, further expanding the Christian presence. Catholic institutions founded in Taiwan include Fu Jen Catholic University, Wenzao Ursuline University of Languages, and Sacred Heart Girls' High School. Protestant organizations, such as the Presbyterian Church in Taiwan (PCT), actively engaged in social movements and public affairs, playing a notable role in Taiwan's democracy. For example, the PCT issued the Declaration of the Self-Salvation Movement of the Taiwanese People in the 1970s to express concern for democratic development. It is also an example of humanistic religion.

On the other hand, Yiguandao, a major indigenous religious group in Taiwan, was banned during the martial law era but in 1987, gained legal recognition after the lifting of martial law, and evolved into a highly influential religious organization.

1.4 Post-Martial Law Liberalization and the Humanization of Religion

In 1987, government control over religion relaxed, initiating an era of religious liberalization and diversification. From the 1980s, the government ceased strict oversight of temples and religious groups, enabling Yiguandao and other sects to develop legally.

Thus, the major religious organizations began actively promoting their beliefs through social media, television, broadcasting, and publications. "Humanistic Buddhism" gradually became mainstream, and Buddhist groups started to advocate for social care and public welfare. Under the leadership of Master Hsing Yun, Fo Guang Shan emphasized education and international propagation of Buddhism, establishing institutions like Fo Guang University and the Buddha's Light International Association to modernize Buddhist teachings—embodying Hsing Yun’s principles of "humanization" and "practicality."

Tzu Chi, founded by Master Cheng Yen, focused on medical care, environmental protection, and disaster relief, becoming Taiwan's most influential socially engaged Buddhist organization, promoting Buddhism's image through charitable actions. Dharma Drum Mountain, established by Master Sheng Yen, emphasized spiritual environmentalism and Chan (Zen) practice, and founded Dharma Drum Institute of Liberal Arts to promote inner growth and environmental sustainability.

Other religions, such as Taoism, Christianity, and Yiguandao, also advanced during this time via educational, medical, and charitable initiatives. Taoist groups promoted traditional cultural education and public welfare; Christian organizations expanded medical and educational resources; and Yiguandao emphasized vegetarianism and international philanthropy. Together, these developments contributed to the religious diversity and social impact of Taiwan’s spiritual landscape.

As these religious organizations grew, they became a powerful social community and shaped distinct religious brand identities. When people refer to these groups, their social contributions centered on the concept of "benevolence" are often highlighted. The strong association between religious participation and the concept of "doing good" reinforces participants' sense of moral alignment.

Moreover, the significant social influence accumulated through long-term religious efforts has made it impossible for political actors to ignore these groups. Many politicians seek to establish a network through cooperation with religious organizations, participating in religious events, and engaging with spiritual leaders to gain voters' support. For instance, during election seasons, politicians attend religious events, rituals, and even publicize their involvement in religious charity as political achievements to enhance their image. Some politicians may genuinely hold religious beliefs, while others exhibit what marketing theory refers to as “free-riding” behaviour. This phenomenon has also been discussed by several scholars.

1.5 Social Impact (Religious Affiliation Chart)

From the perspective of social structure, religious organizations were classified as a nonprofit sector (the third sector). However, the influence of religious groups has gradually declined with generational shifts. According to Religion Unplugged (2024), 49% of Americans believe that religion is becoming increasingly irrelevant. This raises the research issue: will Taiwan follow the same path, or will religious education shift the dimensions of influence? How do those religions maintain their social impact?

1.5.1 Religious Education

To maintain the social impact, education is a good approach. So, some religious organizations in Taiwan have demonstrated significant participation in both secondary and higher education, as well as the capacity to establish institutional frameworks. Taking the Fo Guang Shan Buddhist system as an example, it actively promotes the concept of Humanistic Buddhism, emphasizing education as a crucial avenue for Dharma propagation and social concern. Fo Guang Shan has established several universities, including Fo Guang University (founded in 2000 in Yilan), Nanhua University (1996 in Chiayi), University of the West (1991 in California, USA), and Nan Tien Institute (1997 in Australia). These institutions not only cultivate professional talent but also serve as platforms for religious and cultural transmission and international exchange, embodying the core spirit of Humanistic Buddhism: "caring for the world and serving society."

Christianity also made substantial contributions to Taiwan's education system. The Presbyterian Church in Taiwan has been deeply involved in education since the Japanese colonial era, establishing notable institutions such as Tamkang High School and Chang Jung High School, which have provided high-quality educational resources and a nurturing learning environment. Their educational philosophy emphasizes faith, freedom, and social justice, profoundly shaping value orientations in Taiwan's secondary education. The Catholic Church, known for its spirit of universal love and service, has also founded numerous schools and universities, such as Fu Jen Catholic University (jointly operated by the Jesuits and the Society of the Divine Word), as well as reputable secondary schools, including Sacred Heart High School and Ching Hsiu High School. Catholic education prioritizes ethical instruction, holistic character development, and social responsibility, maintaining a stable position within Taiwan's educational system.

In addition, the Buddhist Tzu Chi Foundation has actively expanded its educational efforts by founding Tzu Chi University (established in 1994 in Hualien), Tzu Chi University

of Science and Technology, and Tzu Chi Senior High School. Tzu Chi's educational philosophy emphasizes "human-centered care," Jing Si aphorism teaching, and moral education, while strengthening life education and service learning. This approach reflects the transformation of religious organizations from a charitable position to institutionalized education, highlighting their deep engagement with civilized society.

Overall, the active involvement of religious organizations in Taiwan's education sector demonstrates that religious functions are not only a practice of faith but also a vital force for social construction. Through the establishment and operation of educational systems, these groups shape societal values, foster cultural exchange, and make long-term contributions to the development of Taiwan's education and society.

1.5.2 Social Care and Participation

In recent years, religious organizations in Taiwan have increasingly become the agents for identifying and addressing social issues. Researchers have observed the rapid development of "zero-value consumption" and socially oriented religious enterprises. Religious groups are also actively engaged in charitable work and social care. For instance, Fo Guang Shan established the Fo Guang Shan Compassion Foundation, which offers financial aid and emergency relief to underprivileged families and organizes free medical outreach services for residents in remote areas. On the other hand, Fo Guang Shan also cares for the elderly and children, having established various social welfare institutions such as nursing homes and childcare centers, offering shelter services and organizing winter aid and scholarship programs to help disadvantaged students to complete their education.

Tzu Chi engages in similar social care efforts. It is committed to providing affordable and high-quality medical services through the establishment of a comprehensive healthcare system, including six hospitals: Hualien Tzu Chi Hospital, Taipei Tzu Chi Hospital, Taichung

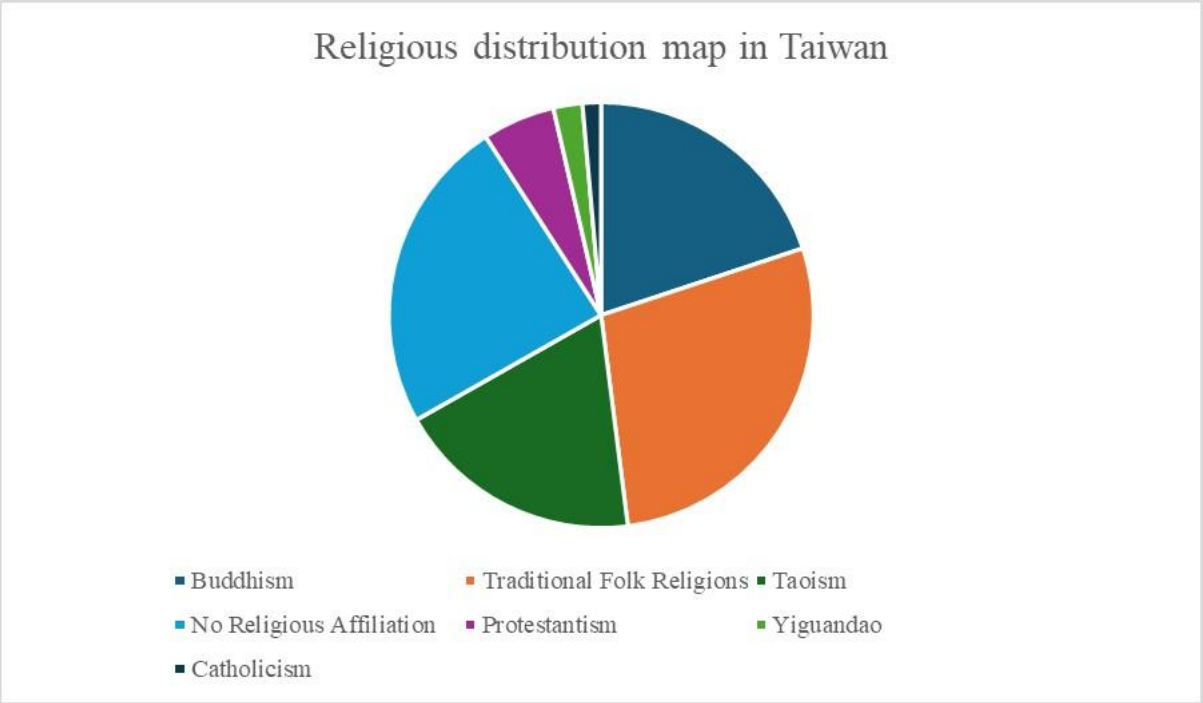
Tzu Chi Hospital, Dalin Tzu Chi Hospital, Taitung Tzu Chi Hospital, and Guandu Tzu Chi Hospital. Tzu Chi also regularly conducts free medical outreach services targeting remote and underprivileged communities. Furthermore, it has established a Cancer Medical Center to offer advanced treatments, such as proton therapy, thereby making healthcare accessible for cancer patients become possible.

Beyond Fo Guang Shan and Tzu Chi, Christian religious groups in Taiwan have also made substantial contributions to medical and social welfare services. For example, the Fu Jen Catholic University Hospital actively participates in community healthcare by providing elderly care and support for disabled people. The Mustard Seed Mission, a Christian organization, has long supported homeless individuals and disadvantaged children by operating shelters and offering free meals, and assisting marginalized populations.

So, the religious organizations in Taiwan contribute not only to education and healthcare, but also significantly reshape social culture and values. For instance, Yiguandao promotes vegetarianism and environmentally friendly dietary habits, while Taoism preserves Taiwan's ritual traditions and folk beliefs through religious ceremonies. These activities influence both believers and the broader society, reinforcing the societal role of religion.

According to statistics up to 2021, 27.9% of Taiwan's population identifies with traditional folk religions, 19.8% with Buddhism, 18.7% with Taoism, and 23.9% report no religious affiliation. The remaining population primarily adheres to Protestantism (5.5%),

Yiguandao (2.2%), and Catholicism (1.4%).



1.6 The Modern Transformation and Social Participation of Religious Organizations

Larger religious organizations in Taiwan, such as Tzu Chi and Fo Guang Shan, have undergone systematic development. This organizational structuring refers to the adoption of institutional management, professional division of labor, volunteer training, and the expansion of social services, all contributing to a sustainable and long-term influence. It can be divided into four key aspects: (1) the influence of religious organizations and their interactions with politics; (2) branding and professional operations of religious organizations; (3) how these organizations maximize social resources; and (4) how they promote positive social development with altruism as their core value. Buddhist organizations like the Tzu Chi Foundation and Fo Guang Shan have successfully transformed traditional religious beliefs into institutionalized public welfare actions, establishing modern organizational frameworks and becoming globally influential religious institutions.

As these religious groups expand, their influence now extends beyond the religious domain into public policy, social welfare, and international recognition, becoming a social force that political figures cannot ignore. This influence can be analysed from three perspectives: policy impact, political interaction, and influence on elections and public opinion (Philosophy and Public Affairs Review, Issue 35). In terms of policy, religious groups indirectly affect government welfare and environmental policies through charitable work, social movements, and public initiatives. For example, Tzu Chi's advocacy for environmental protection and vegetarianism has prompted the government to be aware of sustainability. Political interactions occur because religious groups have social influence, leading politicians to collaborate with them or attend the religious events to gain public support. For instance, political leaders often appear and deliver speeches at major religious events, demonstrating their respect and recognition.

In terms of elections and public opinion, the large number of religious followers means that when a religious leader expresses a particular viewpoint, it can shape electoral outcomes, but Taiwanese religious organizations generally do not express their views publicly.

1.6.1 Politics and Social Philosophy

Religious organizations in Taiwan have gradually become stakeholders in policy formulation and advocacy, intervening through both institutionalized and informal mechanisms. The Tzu Chi Foundation, for instance, has played an active role in post-disaster reconstruction, healthcare, and elderly care policies. Likewise, Fo Guang Shan has collaborated with the Ministry of Education in promoting life education curricula, gradually embedding religious ethics into public sector policy content. Furthermore, certain conservative religious groups, such as segments of the Christian community, frequently

propose politically charged advocacy on gender, education, and family policies—such as the high-profile anti-same-sex marriage referendum campaign.

Symbolic and substantial interactions between religious groups and politicians are also common. Many religious organizations possess stable congregations and physical spaces, making them attractive for political candidates seeking visibility and support. Politicians often attend temple festivals, dharma assemblies, and inauguration ceremonies as a way to build relationships with religious communities. In turn, religious organizations engage political channels to express their positions or negotiate interests when facing government policies, forming a logic of mutual exchange.

In Taiwan, some religious groups frequently mobilize followers, provide venues, or advocate specific issues to influence election outcomes. Local religious organizations, especially in towns and districts, wield significant influence. Candidates who secure the endorsement of religious leaders or communities often enjoy greater visibility and higher vote shares. Examples include the political role of Mazu worship in central and southern Taiwan elections and the relationship between Yiguandao organizations and specific political parties. Religious issues can also indirectly sway public opinion. For instance, during the 2018 referendum, several religious groups publicly opposed same-sex marriage, pushing public sentiment in a specific direction.

1.6.2 Resource Integration and Social Service Models of Religious Organizations

Collective resources have been mobilized by those religious organizations. Religious organizations integrate resources to foster social change and create social value by combining spiritual, human, and material assets to solve social problems as an NPO. They mobilize volunteers, financial donations, and facilities to support education, healthcare, poverty alleviation, and disaster relief programs. These organizations have grown more professional,

establishing structured systems for financial management, volunteer training, and international development, which strengthen their operational efficiency and effectiveness that amplifying their social impact.

Through their robust organizational networks and influence, religious groups are able to integrate social resources to maximize social effectiveness. In terms of mobilization and resource coordination, they possess vast numbers of volunteers and supporters, enabling rapid deployment of manpower and materials. For example, during international disaster relief missions, Tzu Chi can quickly assemble medical teams, supplies, and funding—often surpassing the capacities of general NPOs. In healthcare and welfare, both Fo Guang Shan and Tzu Chi operate medical institutions that provide free services to low-income residents, alleviating governmental burdens. Tzu Chi's medical system, for instance, has become a cornerstone of rural healthcare in Taiwan. In the area of environmental sustainability, Tzu Chi promotes recycling, eco-friendly products like blankets made from recycled materials, and vegetarianism, thereby raising public awareness. These religious groups advance social development through altruism—for instance, Tzu Chi promotes "great love" and practices the four immeasurables (compassion, joy, equanimity, generosity) through concrete actions to better the world. Fo Guang Shan advocates the "Three Acts of Goodness" (do good deeds, speak good words, think good thoughts), aiming to foster social harmony and the spread of positive values through culture and education.

The organizational evolution of modern religious groups has transformed them from traditional faith-based entities into contemporary institutions with political influence, brand distinctiveness, resource coordination capabilities, and public value. Through professionalized management, strong mobilization capacity, and core values centered on altruism, organizations like Tzu Chi and Fo Guang Shan have successfully translated faith into tangible social action. Their influence has reached levels that pol Modern religious

groups have evolved from traditional faith-based entities into influential institutions with political power, organizational sophistication, and global reach. Through professionalized management and altruistic values, organizations like Tzu Chi and Fo Guang Shan have transformed faith into a driving force for social reform and public welfare.

1.6.3 Bridging the Gap Between NPOs and Social Enterprises

In contemporary society, although nonprofit organizations (NPOs) and social enterprises differ in structure and goals, their functions and practices are rapidly converging. In many cases, they overlap or complement one another, forming a bridge for mutual transformation and collaboration. Traditional NPOs have operated primarily through donations, public services, and volunteer mobilization, while social enterprises emphasize the integration of market mechanisms and business models to address social problems sustainably. Facing challenges such as financial constraints, expanding influence, and policy transitions, many NPOs are beginning to adopt commercial strategies and transform into hybrid models akin to social enterprises.

In Taiwan, religious NPOs such as Tzu Chi and Fo Guang Shan have long internalized the principles of social enterprise through their sustained social service practices. They have achieved both financial sustainability and social impact by running their own product lines, launching social innovation platforms, and operating educational or medical institutions. These cases demonstrate that NPOs and social enterprises are not opposites or substitutes but rather can function as bridges, jointly forming the core of a diversified social economy.

Additionally, scholars such as Doherty, Haugh, and Lyon (2014) have identified “hybrid organizations” [1]as a typical bridge between NPOs and social enterprises. These entities

[1] , ... V2“¾

simultaneously pursue social goals and commercial strategies, thereby coordinating resources and legitimacy between public and market logics. This organizational type is particularly common in religious contexts, as religious groups inherently possess strong ethical missions and community mobilization capabilities and are increasingly recognizing the value of market resources in contemporary governance.

Conclusion

The development of religion in Taiwan is deeply intertwined with the island's broader socio-political transformations. Historically, following the retreat of the Nationalist government to Taiwan in 1949, religious activities were subject to decades of strict governmental surveillance. It was not until the lifting of martial law in 1987 that religion entered a period of true liberalization and diversification. During this transitional phase, religion served not only as a spiritual refuge for the populace but also gradually emerged as a driving force behind social change.

The social influence of religious organizations in Taiwan is most evident in the fields of education, healthcare, and social welfare. Given the limitations of government resources, religious groups have played a supplementary role by establishing schools, founding medical institutions, and promoting charitable programs. For instance, Fo Guang Shan has established multiple universities, Tzu Chi has developed a comprehensive healthcare system, and Christian organizations have deeply engaged in community care and assistance for the homeless. These efforts have not only reshaped Taiwan's social structure but also significantly enhanced the public image of religious institutions, aligning them closely with notions of public welfare and moral virtue.

Moreover, the increasing organizational sophistication and branding of religious groups—some operating under the framework of social enterprises—have enabled them to

become self-sustaining and less reliant on donations or external aid. This shift has elevated their capacity for social innovation, allowing their influence to extend beyond traditional religious domains into political and public policy spheres. In this regard, religious organizations contribute meaningfully to the achievement of several Sustainable Development Goals (SDGs)[2], particularly Goals 1 (No Poverty), 3 (Good Health and Well-being), 4 (Quality Education), and 11 (Sustainable Cities and Communities). As these groups grow in scale and capacity, their interactions with the state and political actors have become more frequent and strategic. For example, Tzu Chi's advocacy for environmental protection and sustainable development has pushed the government to pay greater attention to related policies, while politicians have used participation in religious events to enhance their social image. With their vast base of adherents, religious groups have also become influential players during election seasons, shaping public opinion and indirectly promoting policy agendas through political collaboration—even without engaging in overt political activism.

In sum, the evolution of religion in Taiwan reflects not only greater religious freedom but also its expanding role as a driver of social progress. By transforming faith into social practice through education, healthcare, charity, and environmental initiatives, religious institutions have become key forces in public welfare and social reform.

[2] {Elliott, 2012 #42}

LITERATURE REVIEW

2.1 The Rise of Social Enterprises

In the early 19th century (around the 1830s), many workers lived in poor conditions. They earned low wages and worked long hours. As the gap between the rich and poor grew, people began to demand fairness and justice. This led to the rise of labor groups and mutual aid movements, such as early cooperatives, mutual aid societies, and labor unions. These efforts introduced the idea of the "social economy" (Économie Sociale), which included cooperatives, mutual organizations, and workers' associations aimed at improving workers' lives and reducing inequality. This movement became an important foundation for the rise of social enterprises.

In 1991, Italy became the first country to officially recognize social enterprises through the Social Cooperative Law. This law allowed cooperatives to pursue both business and social goals and required that at least 30% of their employees come from disadvantaged groups.

A social enterprise is an organization that runs like a business but aims to solve social, environmental, or cultural problems. It combines earning profits with creating public benefits, working toward financial stability while making a positive impact on society (Creating Shared Value, CSV).

During the 1990s, the idea of "social enterprise" also became popular in the UK. The government and non-profit sector started to realize that businesses could have a social mission and still be financially sustainable. In 2002, the UK officially gave social enterprises a legal status by creating the "Community Interest Company" (CIC) through the Companies (Audit, Investigations and Community Enterprise) Act.

In the United States, organizations like the YMCA and the Salvation Army began using business strategies to support their charitable work. However, in the 1990s, most people still saw social impact mainly as charity, not business. Later, the “Social Enterprise Movement” grew through groups such as Ashoka (founded in 1981) and the Skoll Foundation (founded in 1999). They promoted the idea that entrepreneurs could run businesses that achieve both social good and financial success.

A key milestone came in 2002, when the U.S. introduced Benefit Corporations (B Corps) in states like Maryland. As social entrepreneurship continued to grow, more legal forms such as Benefit Corporations and L3Cs （Low-profit Limited Liability Company） were created, allowing for-profit companies to focus on both profit and social or environmental goals.

In summary, the rise of social enterprises was not accidental. It came from long-standing calls for justice and fairness during the Industrial Revolution. Over time, social enterprises developed into a new type of organization that combines economic efficiency with social purpose. Based on this history and concept, this study uses the UK definition of social enterprise and applies a qualitative research approach, including literature review and case studies, to explore how social enterprises operate, develop, and achieve social goals while remaining financially sustainable as they evolve from traditional nonprofit organizations (NPOs)**.**

2.1.2 Main Characteristics of Social Enterprises

The main feature of social enterprises is that they focus on both social goals and economic operations (J. Gregory Dees, 1998).[3]

[3] "<Dees_Themeaningofsocialentrepreneurship.Pdf>."

- First dual missions:

  Social enterprises are distinguished by their strong social objectives. These organizations are established primarily to address social, environmental, or cultural issues rather than merely to pursue traditional financial profit.[4] （J. Gregory Dees,1998, <The Meaning of 'Social Entrepreneurship'>）

- Secondly, market concern:

  Social enterprises use market mechanisms to achieve their social missions. This means they operate using business models, but their surplus is not simply distributed to shareholders; instead, it is reinvested to support social goals or public interest projects.

- Third, the innovative approach to solve the social problem:

In Taiwan, strategies for addressing social issues have increasingly shifted toward innovation-driven approaches, characterized by diverse methods such as social enterprises, civic technology, local revitalization, and cross-sector collaboration. These approaches demonstrate a high degree of integration and systemic thinking. Social enterprises like Agri Gaia and One-Forty focus on food waste reduction and migrant worker education, respectively, leveraging market mechanisms and platform technologies to enhance resource allocation efficiency and achieve the dual goals of financial sustainability and social impact.

Civic technology groups such as GOv ("Zero Government"[5]) also promote government transparency and citizen participation through open data and digital tools, encouraging people to take part in improving society. At the local level, projects like the Alishan Zhulu Community combine indigenous culture with community-based tourism to boost local economies and encourage young people to return home. The government also supports

[4] Ibid.

[5] {Pyhrr, 1977 #43}

innovation by creating spaces like the “Social Innovation Experimental Base,” where people can test new ideas and policies. Overall, Taiwan’s social innovation system values cooperation, local involvement, and technology. It not only addresses modern challenges but also builds a new and sustainable way for social development.

- Fourth: hybrid structure:

Social enterprises can be registered under different legal forms, but they usually have flexible ways to run their operations and manage profits.

Hybrid Operational Model:

Social enterprises primarily generate income through the sale of goods or services to address the instability of nonprofit funding sources. At the same time, they may receive government subsidies, corporate sponsorships, or public donations. These organizations typically adopt a "profit reinvestment" model, where earnings are reinvested into projects related to their social mission. This approach combines mission-driven and market-driven orientations. Social enterprises are required to transparently communicate their social mission to external stakeholders and establish mechanisms to measure their social impact, such as Social Return on Investment [6](SROI) or other social performance indicators. Additionally, they must possess strong business management capabilities and maintain market competitiveness to avoid complete dependence on subsidies and donations.

[6] {Lingane, 2004 #44}

Legal entity form	Explanation	Represent case
Company (limited company, Joint Stock Company)	For-profit legal entities and social enterprise ‘create social impact through an enterprise form)	A Grain of Wheat(Catering Social Enterprise)、iCHEF
Trust Corporation	Non-profit organizations can accept donations, but their operational flexibility is relatively low.	The legal representative of the consortium is the One Platform Education Foundation
Corporation(legal entity)	Suitable for membership model, with higher flexibility	Taiwan Long-distance Trail Association
Cooperative	Applicable to the fields of agriculture, industry and consumer cooperation, emphasizing the shared ownership by members	Yongxing Community Cooperative(Taitung)

Figure 1. Legal entity form

- Fifth: Sustainable in social, environmental, cultural, and economic

The development of social enterprises in Taiwan reveals complex and multifaceted sustainability challenges and opportunities across four key dimensions: social, contextual environment, cultural, and economic.

Firstly, at the social level, social enterprises emphasize empowering marginalized groups, promoting social inclusion and equity, thereby contributing to social stability and the welfare of vulnerable populations[7] (Chen & Chiu, 2019). Secondly, Taiwan’s unique contextual environment—including population aging, uneven distribution of social resources,

[7] {Yokobori, 2023 #45}

and coexistence of diverse ethnic groups—presents distinctive challenges and opportunities for the positioning and strategic approaches of social enterprises [8]

From a cultural perspective, social enterprises strengthen community identity and cultural heritage through cultural preservation and local revitalization initiatives. Facing cultural discontinuities caused by globalization and urbanization, these enterprises must continue to innovate in order to engage younger generations effectively[9]. Economically, while some social enterprises have established stable market-based operational models that enable financial autonomy and reinvestment of profits, the sector overall still confronts financing bottlenecks and limits to scaling. Enhancing economic resilience and resource integration remains essential [10] In summary, Taiwanese social enterprises demonstrate significant sustainability potential across social, contextual, cultural, and economic dimensions. However, their long-term development depends heavily on policy support, cross-sector collaboration, and capacity building to strengthen stability and resilience. Furthermore, social enterprises typically demonstrate high levels of transparency, regularly assessing and publicly reporting their social impact to ensure alignment between their actions and goals. Unlike traditional enterprises, social enterprises emphasize public interest and stakeholder participation in their governance structures, and may take on various legal forms, such as cooperatives, nonprofits, or business entities (as noted by the Yunus Social Business Center at National Central University). In addition, social enterprises often face unique legal and policy challenges, requiring governmental support in legislation and resource allocation. Therefore, the core features of social enterprises can be summarized as: a mission-driven focus, market-

[8] {Jackson, 2018 #2}

[9] {Mamula, 2016 #3}

[10] {Feng, 2023 #4}

based operation mechanisms, social responsibility assessment, and diverse organizational forms. These features contribute to their unique value in addressing social problems through innovation and practical application. Jed Emerson, “The Blended Value Proposition: Integrating Social and Financial Returns," published in July 2003 in the California Management Review (Vol. 45, Issue 4).

2.1.2 Diverse Types of Social Enterprises

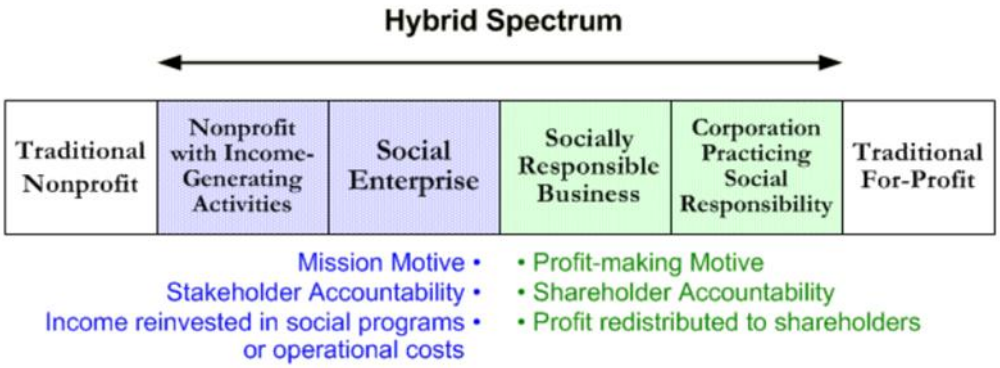


Figure 2. Hybrid Spectrum Distribution[11]Dees, 1998

According to Dees (1998), there are six types of social business: the diversity of social enterprises manifests in a wide range of practical forms. Scholars generally agree that social enterprises should not be viewed as a single type of organization, but rather as a "spectrum of organizations" encompassing various operating models, legal structures, and social goals [12]. According to Alter’s (2007) Typology of Social Enterprises[13], social enterprises can be broadly categorized into three types based on the degree of reliance on business activities and the method of achieving social missions: embedded, integrated, and external social enterprises.

[11] "The Four Lenses Strategic Framework toward an Intergrated Social Enterprise Methodology."

[12] {Farber, 2015 #5}

[13] "<Social Enterprise Technology.Pdf>."

- Embedded social enterprises are those whose core business activities are inherently the means of achieving their social mission. The two aspects are inseparable. For example, offering employment to marginalized groups, selling fair trade products, or promoting community development, where all the activities are operational themselves fulfill to the social mission. These enterprises show a high degree of integration between social and economic goals, where profit-generating activities inherently carry social value.
- Integrated social enterprises establish specific departments or functional units within the organization to carry out social programs. These enterprises use surplus reinvestment and internal conversion mechanisms to fulfill their social mission. For instance, a business may offer services while also providing training or community engagement programs for its target population. This model emphasizes internal collaboration and resource redistribution, requiring a relatively complex organizational structure.
- External social enterprises generate profits through commercial activities, which are then used to fund social missions. In this case, there is a certain degree of separation between the social mission and business operations. For example, a company might engage in general commercial activities but allocate all or most of its profits to support charitable causes, educational initiatives, or social advocacy. This model is common among social enterprises affiliated with foundations or nonprofits, emphasizing resource conversion and external support.

Some scholars also categorize social enterprises based on legal form and operational logic into three types: 1) cooperative-based (e.g., social cooperatives), 2) nonprofit-based (e.g., innovative revenue-generating NGOs), and 3) commercial-based (e.g., B Corps or benefit corporations) (Kerlin, 2013)[14]. Different countries and regions have developed geographically specific models of social enterprises depending on their policy orientations and historical backgrounds. Europe tends to emphasize the social economy and cooperative traditions, while Anglo-American systems focus on innovation, entrepreneurship, and impact investing. In Asia, charitable traditions and government policy influence are more pronounced.

- Cooperative-type social enterprises usually operate in cooperative form, emphasizing equality and collective management among members, with surplus reinvested into social or environmental goals. An example is France's "La Louve" cooperative. Members jointly own the enterprise and focus on both social responsibility and economic autonomy.
- Nonprofit-type social enterprises focus on solving social problems and reinvest their profits into social causes. These are often found within foundations or NGOs, such as India's "SELCO India," which provides sustainable energy solutions to underdeveloped areas. These organizations depend on donations, government subsidies, or other funding and prioritize social outcomes over profit.

[14] Janelle A Kerlin, Meng Ye, and Wendy Chen, "A Tax Credit Proposal for Profit Moderation and Social Mission Maximization in Long-Term Residential Care Businesses" (paper presented at the Nonprofit Policy Forum, 2023).

- Commercial-type social enterprises aim for profitability while integrating social missions into their operations. Profits are used to address social issues or support environmental initiatives. Examples include Patagonia (USA) and M-KOPA Solar (Kenya), which combine commercial success with social commitment.

While the structure and operations of these three types may differ, they all share the core goals of promoting social welfare, environmental protection, and social innovation. They develop diverse models according to regional needs and resources. Overall, there is no universally accepted way to classify social enterprises. Countries and regions adapt their own models based on local contexts. While Europe leans toward social economy and cooperatives, Anglo-American systems highlight innovation and impact investment, and Asia often blends charity and governmental agencies. However, all share the basic feature of using market logic to support social mission implementation. Categorizing social enterprises helps in understanding their logic and in forming effective government support policies.

2.1.3 Comparison with Traditional Enterprises and Nonprofits

Table 1. Comparison with Traditional Enterprises and Nonprofits

Feature	Social Enterprises	Nonprofit Organizations (NPOs)
Main Goal	Social impact + Profit	Social mission
Funding Source	Revenue-based	Donations, grants
Profit Allocation	Reinvested in social mission	Entirely for public interest

Social enterprises can exist in different legal forms, such as for-profit companies or nonprofit organizations. What truly defines them is not their legal status, but whether they place social goals at the center of their operations and achieve long-term sustainability through a business model. For example, the Hong Kong General Chamber of Social

Enterprises explains that most social enterprises reinvest at least 65% of their distributable profits back into the organization to further their social mission.

In Taiwan, social enterprises are seen as hybrid organizations, positioned between traditional nonprofits and for-profit companies. They combine the social purpose of a nonprofit with the business tools of the private sector, creating a balanced model that pursues both social impact and financial stability.

2.1.4 Differences between International and Taiwanese Social Enterprises

Although social enterprises worldwide share the same goal of addressing social issues, their institutional structures, legal recognition, and government support differ significantly across countries.

United Kingdom:

The UK was one of the first countries to legally recognize social enterprises. The Community Interest Company (CIC) Regulations of 2005 created a specific legal form, the Community Interest Company. CICs combine commercial operations with social missions and are bound by asset locks and profit distribution limits, ensuring that profits are reinvested into social causes. They can be established either as limited companies or as companies limited by guarantee under the Companies Act 2006, and they are required to submit regular Community Interest Reports.

Although CICs do not receive the same tax benefits as charities, the Public Services (Social Value) Act 2012 mandates the government to consider “social value” when awarding public contracts. This policy improves market opportunities for social enterprises, making the UK a global leader in institutionalizing and supporting the sector.

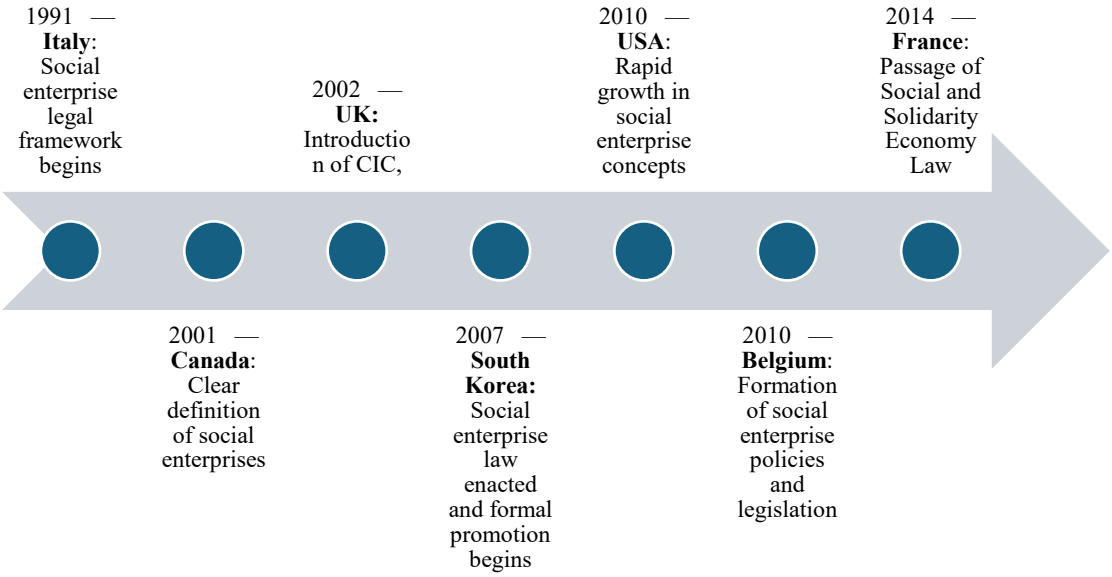
South Korea:

South Korea followed a similar path, enacting the Social Enterprise Promotion Act in 2007. This law clearly defines what qualifies as a social enterprise and outlines the review and support mechanisms. The Korean model emphasizes employment creation and social inclusion for disadvantaged groups, reflecting a strong government-led approach to social enterprise development.

Taiwan:

In contrast, Taiwan has not yet established specific legislation for social enterprises. Most organizations operate under the Company Act, Cooperative Act, or Civic Organizations Act, and therefore lack distinct legal status or tax benefits. Unlike the UK and South Korea, Taiwan does not have formal certification systems or standardized tools for assessing social impact.

Table 2. Differences between International and Taiwanese Social Enterprises



Government support in Taiwan mainly comes through short-term programs such as competitions, subsidies, and pilot projects, rather than through a long-term policy framework. As a result, Taiwan is still in the exploratory stage, facing ongoing structural challenges in scaling up and institutionalizing its social enterprise sector.

2.1.5 Legal and Institutional Challenges in Taiwan

South Korea and Taiwan, both East Asian countries, face similar structural challenges such as population aging, increasing social welfare burdens, and growing demands for social innovation. However, the two countries exhibit significant differences in their social enterprise policy development. South Korea enacted the Social Enterprise Promotion Act in 2007, becoming one of the earliest countries in Asia to legislatively support the development of social enterprises. This law clearly defines the qualifications for social enterprises, their establishment procedures, and government support measures, while establishing an implementation framework jointly promoted by central and local governments (Kim & Lim, 2013). In contrast, Taiwan has yet to establish dedicated legislation for social enterprises. Policy efforts mainly rely on administrative action plans and support mechanisms, such as the Social Enterprise Action Plan launched by the Executive Yuan in 2014, followed by the Social Innovation Action Plans (*2018–2022*) and their updated version (*2023–2026*). The differences in institutional design between these plans provide a basis for comparative analysis and serve as empirical material for examining the effectiveness of different policy tools on social enterprise development. Future research could further explore the impact of legislative versus non-legislative approaches on the institutionalization and sustainability of social enterprises within the Asian context. Taiwanese social enterprises, despite their vibrant practice, still lack clear legal recognition. The reasons can be examined on three fronts: legal structure, policy direction, and social awareness.

1. Legal Ambiguity: Without dedicated legislation, social enterprises can register as companies, cooperatives, or nonprofits. This flexibility results in the absence of a unified legal definition or regulatory framework.

Hansmann's (1980)[15] Contract Failure Theory argues that nonprofits arise when markets or governments fail to provide public goods effectively. In cases of asymmetric information or quality uncertainty, nonprofits gain trust by prohibiting profit distribution. Applying this to social enterprises, they emerge to address government and market failures, combining business efficiency with social missions. However, without legal clarity, the mix of profit distribution and social goals can lead to trust issues or misuse (e.g., tax avoidance), undermining legitimacy.

2. Policy Ambiguity: Lawmakers struggle to define social enterprises, especially in evaluating "public interest" and regulating profit distribution. Without objective standards, it's difficult to determine eligibility for tax benefits or subsidies. This creates risks of abuse, damaging public trust.

2.1.6 Collaboration: Cross-sectoral movement

[15] Dennis R Young, "Contract Failure Theory," in *The Nature of the Nonprofit Sector* (Routledge, 2021).

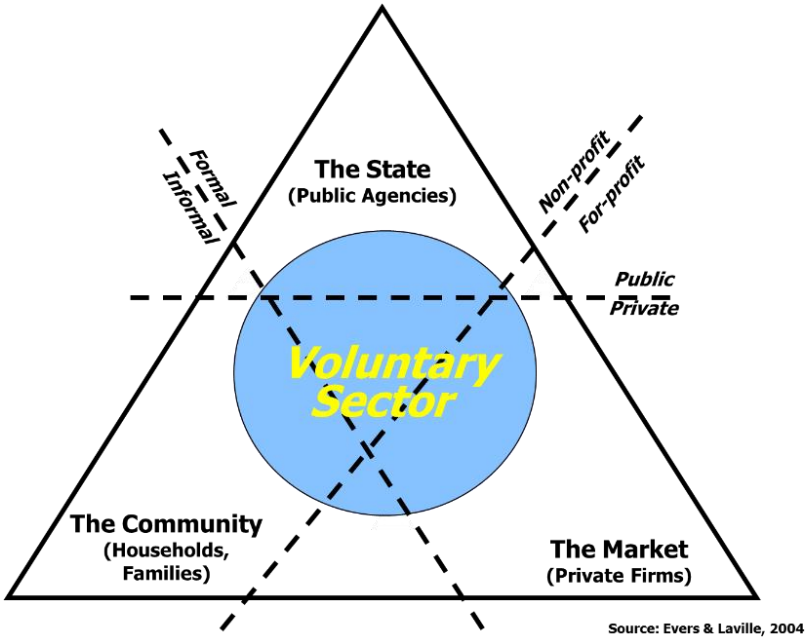


Figure 3. Voluntary Sector[16]

According to Defourny and Nyssens [17](2010), prior to the 1990s, concepts such as "social enterprise," "social entrepreneurship," and "social entrepreneur" were seldom discussed in academic circles. Since 2000, these ideas have gradually gained attention in regions such as East Asia and Latin America. In Europe and North America, social enterprises mostly emerged from the Third Sector, but their developmental trajectories differ: Europe emphasizes the "social economy," centered on cooperatives, mutual societies, and associations, highlighting democratic governance and citizen participation (*Evers & Laville, 2004*)[18]; in contrast, the United States focuses more on innovative service models promoted by foundations and charitable organizations. While Taiwan's Third Sector also plays an important role in addressing social needs, its institutional structure and operational logic

[16] Adalbert Evers and Jean-Louis Laville, "Defining the Third Sector in Europe," *The third sector in Europe* 11 (2004).

[17] Ibid.; Jacques Defourny and Marthe Nyssens, "Defining Social Enterprise," *Social enterprise: At the crossroads of market, public policies and civil society* 7 (2006).

[18] Adalbert Evers, "Consumers, Citizens and Coproducers-a Pluralistic Perspective on Democracy in Social Services," *INTERNATIONAL STUDIES ON CHILDHOOD AND ADOLESCENCE* 6 (1998).

differ significantly from those in Europe. Compared to Europe's emphasis on economic participation and democratic practice, Taiwan's Fourth Sector places greater focus on delivering public welfare services and reliance on government resources. With the rise of social enterprises in Taiwan, although both the Fourth Sector and social enterprises share the goal of creating social value, tensions have emerged in terms of values, culture, and operational models. The Fourth Sector emphasizes nonprofit, publicly funded services for disadvantaged groups, whereas social enterprises integrate market logic with social missions, pursuing sustainability and autonomy. This profit-oriented tendency has raised concerns among some nonprofit organizations, who fear that social enterprises might dilute the core spirit of public interest. Despite the Fourth Sector's longstanding role in supporting vulnerable populations and providing social services, its heavy dependence on government subsidies and donations has resulted in financial instability, intense resource competition, and organizational inflexibility. Especially in recent years, with tightening public finances and fragmented donation sources, many nonprofits have recognized that relying solely on external funding could limit their sustainability and mission fulfillment. As a result, some NPOs have chosen to adopt market-oriented approaches, generating income through product sales or fee-based services and thus transitioning toward "social enterprise" models to strengthen financial autonomy and expand social impact. Facing financial pressures and risks of mission drift, some religious and charitable organizations have begun transforming into religious-type and charitable-type social enterprises. While both remain mission-driven, they reduce dependence on external donations or subsidies through market mechanisms. Charitable social enterprises often originate from nonprofits and support their social goals—such as child welfare, disadvantaged employment, or environmental sustainability—by selling products (e.g., handicrafts, sheltered workshop goods) or providing services (e.g., elder care, training). Religious social enterprises combine commercial operations with religious ethics, using

surplus revenue to fund church or temple activities, thereby practicing faith values through economic action. Despite their different origins, both embody the core principle of "pursuing public good through profitable means" and have increasingly become vital supplementary forces responding to contemporary social needs. According to a 2017 survey by Taiwan's Ministry of Labor and Ministry of Economic Affairs, there were approximately 11,343 potential social enterprises nationwide. Taoyuan City's "Social Enterprise City" initiative has incubated over 150 social enterprises, including those transitioned from religious groups, social welfare organizations, and community associations.

2.2 Interactions Between State, Religion, and Society in Taiwan: Political Control, Institutional Innovation, and Economic Adaptation

2.2.1 State Control and Religious Surveillance

The trajectory of religious development in Taiwan reflects a history of negotiation between religious actors and political regimes. During the martial law period (1949–1987), the Kuomintang (KMT) government employed an authoritarian framework to suppress and control religious life. According to Yang (2001) and Huang (2007), this regulatory approach was modeled after mainland Chinese methods, emphasizing surveillance and the restriction of religious organizations to prevent them from becoming politically mobilized opposition forces.

Katz (2003) analyzed the post-war regulatory apparatus imposed by the state, noting its extensive legal and bureaucratic structure aimed at controlling religious practice. Liao (2016) further argued that religion served a dual role—as a mechanism of state control and as a form of resistance—thereby justifying the regime's stringent oversight during martial law.

2.2.2 The Emergence of Religious Autonomy

Under Japanese colonial rule (1895–1945), religious activities were tolerated but limited. Following the transition to KMT rule, religious freedom remained restricted due to fears of communist influence. However, the lifting of martial law in 1987 marked a critical shift toward democratization and the liberalization of religious life.

Grassroots religious practices, especially in rural areas, demonstrated significant resilience throughout periods of control. These practices laid the foundation for a religious revival post-1987, fostering a renewed autonomy among religious organizations (Huang, 2007).

2.2.3 Religious Altruism and Social Engagement

The democratization of Taiwan facilitated a transformation of religious roles in society. Religious leaders began moving beyond traditional spiritual guidance to address social, environmental, and educational challenges. Lin (2003) and Shih (2010) emphasized that the postwar reconstruction of Buddhism involved the establishment of institutional infrastructure, including education and welfare programs.

This shift in focus enabled the rise of organizations such as Fo Guang Shan, Tzu Chi, and Dharma Drum Mountain. According to Wang (1998) and Kao (2005), these groups integrated religious practice with public service, founding universities, hospitals, and disaster relief agencies. Religion thus evolved into a civic force capable of shaping public values and participating in state-like functions within society.

This shift is particularly evident in the rise of "spiritual consumption," where the commodification of religious values and practices intersects with capitalist logic (Scharf, 2001). As economic pressures have evolved, religious groups have adopted more proactive strategies—moving from reactive self-sufficiency to direct participation in the marketplace.

This change represents not only the continuation of religious innovation but also a redefinition of how spirituality functions within Taiwan's late-modern economy.

2.2.4 The Rise of Religious Associations/Foundations in Taiwan

2.2.4.1 Informal Origins of Religious Foundations

Early religious foundations were more informal, often operating as temple-based organizations or religious associations, which provided services primarily for their own communities. These organizations did not formally engage with the state or the legal frameworks we would consider nonprofit status.

2.2.4.2 Scholarly Perspectives on Religious Evolution (1945–2025)

However, scholarly research on the evolution of religion in Taiwan from 1945 to 2025 highlights a complex interplay between political control, religious autonomy, and social engagement. A considerable body of literature has examined how religious life navigated authoritarian constraints during the martial law period and later expanded to become a significant force in Taiwan's democratized civil society.

2.2.4.3 State Control During the Martial Law Era

During the early postwar period (1945–1987), scholars such as Yang Rur-bin (2001) and Huang Ying-kuei (2007) described how the Nationalist government implemented policies of tight regulation over religious organizations, reflecting a broader strategy of authoritarian governance. Religious groups were compelled to register with the state, and public religious activities were often restricted to prevent alternative centers of social mobilization. Paul Katz (2003), mentioned in The China Quarterly, argues that although the state sought to control religious practice through an elaborate legal and bureaucratic apparatus, these measures did

not succeed in fully suppressing religious vitality. Katz demonstrated that many religious practices, especially folk traditions and local temple worship, continued in private or informal spaces, helping to preserve continuity within Taiwanese communities despite government supervision.

2.2.4.4 Post-Martial Law Religious Transformation

Following the lifting of martial law in 1987, the literature notes a significant transformation in Taiwan's religious landscape. Scholars such as Lin Mei-jung (2003) and Shih Chao-hwei (2010) emphasized the important role played by Buddhist monastics and intellectuals who migrated from mainland China. These figures were instrumental in institutionalizing and modernizing Taiwanese Buddhism, laying the groundwork for large-scale organizations such as Fo Guang Shan, Tzu Chi, and Dharma Drum Mountain. Their efforts to create systems of Buddhist education and research were critical in reshaping religious practices to meet the needs of an increasingly urban and modern society.

2.2.4.5 Humanistic Buddhism and Scriptural Outreach

One major focus in the post-martial law literature is the release of scriptures as a strategy for religious renewal. The studies of Fo Guang Shan and other Buddhist organizations (e.g., Wang Hsiao-po 1998; Kao Pei-yuan 2005) show how scripture publication and distribution became central to religious outreach. These efforts reflected a broader trend toward Humanistic Buddhism, which sought to make Buddhist teachings relevant to contemporary life by emphasizing ethical behavior, community service, as well as societal engagement.

2.2.3 The Emergence of Modern Religious Associations

2.2.3.1 The Birth and Transformation of Tzu Chi

The emergence of Tzu Chi in Taiwan is a fascinating story of social compassion and spiritual engagement that blends Buddhist teachings with practical action. It is a classic example of a purely charitable organization evolving into a social enterprise with practical implementation and effective management. Alongside the dissemination of scriptures, volunteerism and social service initiatives have attracted significant scholarly attention. Research on Tzu Chi, particularly by scholars such as Yu Chün-fang (2002) and Madsen (2007), demonstrates how the organization mobilized large networks of volunteers to address both immediate humanitarian needs and long-term social development. Volunteer activities ranged from disaster relief to environmental conservation, illustrating the shift of religion from purely spiritual concerns to active civic participation. As of 2024, Tzu Chi has approximately 107.4 million registered members.

2.2.3.2 The Development and Internationalization of Fo Guang Shan and Tzu Chi

Fo Guang Shan and Tzu Chi are two of the most influential Buddhist organizations originating in Taiwan. Both have established substantial local followings and actively promoted international expansion, spreading their religious philosophies and social services worldwide. According to the World Religion Database (Pew Research Center, 2017), Fo Guang Shan has approximately 6 million members globally, distributed across five continents. Through the Buddha's Light International Association (BLIA) and diverse media platforms, Fo Guang Shan vigorously promotes the concept of "Humanistic Buddhism" and operates various educational and cultural institutions in the United States, Europe, and Southeast Asia.

Meanwhile, the Tzu Chi Foundation plays a significant role in international humanitarian efforts. With branches in over 70 countries, Tzu Chi reported around 107.4 million members as of 2024. By combining Buddhist compassion with professional

management, Tzu Chi advances volunteer service, medical aid, and environmental conservation. Its impact has been especially notable in disaster relief operations worldwide (Madsen, 2007; Tzu Chi Foundation Annual Report, 2023). These figures illustrate that both organizations not only deepen international religious exchange but also serve as major forces promoting global welfare and cross-cultural dialogue.

2.2.3.3 Comparison and Functional Overview of Religious Organizations

Table 3. Comparison and Functional Overview of Religious Organizations

Item	Tzu Chi (慈濟)	Fo Guang Shan (佛光山)
Members	107.4 million	6.0 million
Media and Cultural Outreach	Tzu Chi TV, DA.AI Technology, Tzu Chi Radio, Magazines and Publications	Beautiful Life Television (BLTV), Fo Guang Shan's Online Platforms, Buddha's Light International Association (BLIA)
Humanistic Buddhism Education	✓	✓
Volunteer and Community Services	Disaster Relief, Medical and Welfare Aid, Youth and Educational Programs, Environmental Projects	Disaster Relief, Medical and Welfare Aid, Youth and Educational Programs, Environmental Projects
Compassion and	Tzu Chi Foundation, Ukrainian Refugee Care	Fo Guang Shan Compassion Foundation

Welfare Programs	(Poland), Nepal Lubini Youth Camp	
Educational Institutions	Tzu Chi University (TCU), Tzu Chi University of Science and Technology (TCUST), Kindergartens and Primary Schools in USA and Singapore	Fo Guang University, Nanhua University, University of the West, Guang Ming College

2.2.3.4 The Changing Relationship between Religion and Public Welfare

Scholars interpret the development of religiously affiliated healthcare institutions as emblematic of a broader transformation in the relationship between religion and the state. Religious organizations, no longer marginalized, have increasingly become central providers of public goods, actively engaging in these efforts. This phenomenon has been analysed as a case of "faith-based welfare," where religious motivations play a key role in supporting practical contributions to national development and the strengthening of civil society.

2.2.3.5 Transnational Engagement and Policy Influence of Religious Groups

By 2025, Taiwanese religious organizations are deeply embedded in public life. Rather than retreating into privatized spirituality, religious groups have expanded outward, influencing education, healthcare, environmental policy, and international humanitarian work. Recent studies (e.g., Jones 2021; Chen 2023) explore how Taiwanese religious organizations have also engaged in transnational networks, exporting models of socially engaged religion to other parts of Asia and beyond.

2.2.3.6 Legal Framework and Nonprofit Transformation

The Social Welfare Act (1991) was an important step, allowing religious organizations to register as nonprofit entities and engage in organized charitable and social welfare activities. In Taiwan, the transformation of religious associations into NPOs was a gradual process beginning in the late 1980s and early 1990s, driven by legal reforms and political democratization.

2.2.3.7 Summary: From Control to Public Participation in Religious Transformation

In sum, academic literature charts a remarkable transformation of religion in Taiwan from a tightly controlled sector under martial law to a vibrant, socially engaged force in a democratized society. Key themes across decades of scholarship include the resilience of religious practice under repression, the modernization of Buddhism through scriptural outreach, and the growth of volunteerism and hospital construction as expressions of religious commitment to public welfare.

2.2.4 The Development and Social Role of Buddhism in Taiwan

2.2.4.1 The Rise of Socially Engaged Buddhism in Taiwan

As religious organizations in Taiwan have expanded their functions, Buddhism has gradually shifted from a monastic-centred tradition to a socially engaged force within Taiwanese society. Large-scale Buddhist organizations such as Fo Guang Shan, Tzu Chi, and Dharma Drum Mountain have increasingly integrated themselves into areas such as community services, education, healthcare, and environmental activism.

For instance, Fo Guang Shan, founded by Master Hsing Yun, emphasizes “Humanistic Buddhism”, advocating for the application of Buddhist principles in everyday life. With multiple temples, Buddhist colleges, and cultural centres across Taiwan, Fo Guang Shan plays an active role in community engagement and interfaith dialogue.

Tzu Chi, originally a small charity group, has developed into a highly institutionalized organization with its own hospitals, universities, and volunteer systems. Guided by the principles of compassion and relief, Tzu Chi has become deeply embedded in various aspects of Taiwanese society, including emergency aid, long-term care, recycling programs, and life education.

These developments reflect how Taiwanese Buddhism has evolved into a modern religious institution with broad social functions, responding actively to the needs of contemporary society.

2.2.4.2 Buddhism and Worldliness in Contemporary Taiwan: A Sociocultural Exploration

In his 2020 article *Buddhism and Worldliness in Modern Taiwan*, Sumanto Al Qurtuby explores how Taiwanese Buddhism has adapted to the challenges of modernity and secularization. He introduces the concept of "worldly Buddhism", referring to Buddhist practices and institutions that are actively involved in social issues, while maintaining religious values.

Qurtuby notes that organizations such as Fo Guang Shan, Tzu Chi, and Dharma Drum Mountain have responded to Taiwan’s democratization and modernization by redefining their roles beyond the temple walls. With growing pluralism and material prosperity, traditional monastic practices were no longer sufficient to maintain relevance among the wider population.

A key turning point in this transformation is the rise of Humanistic Buddhism, which aims to integrate Buddhist ethics into modern life. This movement, championed by figures like Master Hsing Yun, promotes Buddhist involvement in public concerns such as poverty, education, healthcare, and environmental sustainability.

2.2.4.3 Institutional Modernization and Secular Integration

One of Qurtuby's critical observations is the growing **s**ecularization and professionalization of Buddhist institutions in Taiwan. Many organizations now operate universities, hospitals, and foundations; functions traditionally associated with secular NGOs. Buddhist leaders frequently appear in public media not only as spiritual figures but also as civic influencers and moral authorities.

This institutional shift indicates a blurring of boundaries between the sacred and the secular. Buddhist organizations have adopted modern management systems, strategic planning, and public relations mechanisms to increase their societal impact.

2.2.4.4 Balancing the Sacred and the Secular

Despite their increasing engagement with secular life, Taiwanese Buddhist organizations have not entirely abandoned their spiritual roots. Meditation, ethical cultivation, and the pursuit of enlightenment remain central to their identity. According to Qurtuby, the tension between spiritual ideals and worldly responsibilities is a defining feature of modern Taiwanese Buddhism.

This dual commitment enables Taiwanese Buddhist institutions to maintain spiritual authenticity while also achieving broad public relevance. It reflects the flexibility of Buddhism in Taiwan, where religious values continue to guide modern social practice.

2.2.5 Religious Organizations, Economic Self-Sufficiency, and Socioeconomic Challenges

2.2.5.1 Religion's Role Amid Limited Welfare Infrastructure

Taiwan's religious landscape must be understood within the context of limited state welfare provision in the early postwar years. As Yang (2001) and Huang (2007) observed, the

state's failure to establish a comprehensive social safety net created a vacuum that religious organizations and nonprofits filled. Communities turned to temples, churches, and Buddhist groups for spiritual and material support.

2.2.5.2 Financial Strategies and Commercial Adaptation

Religious groups, faced with inconsistent donations, adopted self-sustaining strategies. Lin (2003) noted that economic downturns like the 1973 oil crisis severely affected charitable giving. In response, organizations diversified revenue streams by producing and selling religious merchandise—amulets, scriptures, and ritual items—to generate income and reinforce doctrinal teachings (Wang, 1998).

Katz (2003) pointed out that such strategies helped religious institutions maintain operational independence and propagate their beliefs without over-relying on cash donations. Fo Guang Shan, for instance, developed an integrated economic model combining publishing, merchandise, and spiritual practice.

Darr (2016) suggested that faith-based organizations (FBOs) can improve long-term sustainability by incorporating social enterprise models. These models allow religious missions to coexist with entrepreneurial practices, enabling organizations to function both as spiritual communities and social actors.

2.2.5.3 The 2008 Financial Crisis and Institutional Resilience

The 2008 global financial crisis once again tested the financial resilience of Taiwan's religious groups. As Chen (2023) described, the contraction of the economy led to reduced charitable contributions. In response, religious organizations renewed efforts to generate sustainable income through the sale of eco-friendly products and educational materials aligned with spiritual values. Fo Guang Shan and Tzu Chi became especially active in producing religious literature and ethical consumer goods.

This shift illustrates the embedding of religious values in economic behavior and reveals the adaptability of religious institutions to structural challenges.

2.2.5.4 Institutionalization and Organizational Efficiency

Throughout Taiwan's recent history, religious organizations have demonstrated an extraordinary capacity for institutionalization and adaptation.[19] both argued that flexibility and innovation are crucial to the resilience of religious groups. [20] offered comparative data showing that large temples with professionalized management systems tend to perform better both administratively and financially.

2.2.6 Philosophical Foundations: The Role of Humanistic Buddhism in Modern Taiwanese Society

At the heart of the transformation of Buddhism in Taiwan is the philosophical and ideological shift toward Humanistic Buddhism. Humanistic Buddhism emphasizes integrating Buddhist teachings into everyday life and provides a framework that is both spiritually enriching and socially responsible. This approach has resonated deeply with people in Taiwan who are seeking meaning in an increasingly complex and globalized world.

Promoted by influential figures such as Venerable Hsing Yun of Fo Guang Shan, Humanistic Buddhism focuses on applying Buddhist principles in daily life, emphasizing ethics, social engagement, and environmental awareness (Jones, 1999). It encourages individuals to cultivate compassion and wisdom while actively contributing to societal well-being. This vision has profoundly shaped how Taiwanese Buddhists interact with their communities and the broader world.

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[19] {Root, 2024 #6}

[20] {, #7}

The philosophical foundations of Humanistic Buddhism have also made it a powerful force in shaping modern Taiwanese culture. By combining traditional Buddhist teachings with contemporary concerns—such as social justice, environmental sustainability, and global citizenship—Humanistic Buddhism offers a path rooted in tradition yet responsive to modern challenges[21]

2.2.7 Economic Adaptation: From Financial Survival to Market Integration

Building on this pattern of economic adaptation, recent scholarship has explored how Taiwanese religious organizations have shifted from merely surviving financial crises to actively engaging in broader market dynamics. While earlier phases emphasized financial independence as a strategy for institutional survival, contemporary religious groups increasingly integrate with consumer culture.

This shift is particularly evident in the rise of "spiritual consumption", where the commodification of religious values and practices intersects with capitalist logic (Scharf, 2001). As economic pressures have evolved, religious groups have adopted more proactive strategies—moving from reactive self-sufficiency to direct participation in the marketplace. This change represents not only the continuation of religious innovation but also a redefinition of how spirituality functions within Taiwan's late-modern economy.

2.3 Emergence of Spiritual Merchandise in Taiwan

The development of spiritual merchandise in Taiwan reflects the intersection of religion, economy, and culture. Religious organizations, like temples and faith-based social enterprises, have started producing and selling religious goods as a way to sustain operations,

[21] {Ounephaivong, 2024 #8}

promote cultural identity, and meet followers' spiritual needs (Zaidman, 2003). These goods include items like talismans, amulets, incense, and spiritual accessories.

According to Chung (2022), Taiwan's young generation, especially those born between 1985 and 1995, are increasingly drawn to spiritual consumption as a way to find emotional balance and self-identity. Globalization and social change have also contributed to this trend. Modern consumers no longer see religion only as spiritual practice but as a lifestyle experience.

Spiritual consumption refers not only to religious participation but also to buying spiritual products that help people feel protected, calm, or emotionally supported. Heelas (1996) explains this shift as part of a larger "spiritual marketplace," where beliefs and practices are offered in consumer-friendly forms. As a result, Taiwanese religious spaces have transformed into hybrid places where faith and business coexist.

2.3.1 Commercialization of Spiritual Products/Services

The rise of market-driven economies has pushed religious organizations to commercialize spiritual goods. This trend is visible in both large institutions like Tzu Chi and in small temples. These products carry spiritual meaning while also functioning as a source of income (Driskell, 2013).

For example, Tzu Chi promotes eco-friendly incense and vegetarian products that embody Buddhist principles of compassion and sustainability. These items attract not only devout followers but also non-religious consumers who are concerned with health and environmental issues (McAlexander, 2001). Similarly, many temples have diversified their offerings by selling talismans, charms, and other spiritual goods through souvenir shops, online platforms, and social media. Such practices illustrate a broader shift toward a consumer-oriented model of religious participation (Schouten & McAlexander, 1995).

2.3.2 Diverse Methods of Spiritual Consumption

Spiritual consumption in Taiwan takes many forms. In addition to traditional practices like worship or offering incense, people now purchase products, join meditation courses, or attend spiritual events. These activities blend spiritual and commercial motivations (Khare & Chugh, 2014).

Temples such as Longshan Temple and Chaotian Temple have become major tourist attractions. They provide not just spiritual services but also run souvenir shops and cultural events. These efforts help increase revenue while strengthening community identity.

Faith-based social enterprises (FBSEs) also use branding strategies to improve their visibility. They create products that combine religious meaning with attractive design or eco-conscious values. This reflects a shift from simple religious symbols to products that communicate cultural messages and personal identity (Brown & Leonard, 2008).

2.3.3 Market Segmentation in Taiwan's Spiritual Economy

Understanding how spiritual goods are consumed requires looking at market segmentation. According to Kotler & Armstrong (2017), this includes four main variables: behavioral, psychographic, demographic, and geographic segmentation.

- Behavioral Segmentation: Some consumers purchase spiritual items only during specific festivals or religious events, while others buy regularly to support ongoing spiritual practices or personal rituals.

- Psychographic Segmentation: Personal values, lifestyles, and beliefs shape consumer behavior. Many individuals consume spiritual goods to seek peace, strengthen identity, or find emotional comfort (Bellah, 2003).

• Demographic Segmentation: Age, income, and education influence preferences. Older consumers often favor traditional temple goods, such as incense or talismans, while younger generations tend to prefer modern, innovative items like designer amulets or eco-friendly candles.

• Geographic Segmentation: Regional and cultural contexts also shape spiritual consumption. For example, urban consumers in Taipei might be more drawn to products with creative design or fashionable appeal, while rural consumers may value items with strong traditional symbolism.

Faith-based social enterprises have adapted to these segmented needs. For instance, Beigang Chaotian Temple, located in Yunlin, has developed spiritual products that reflect local festivals, beliefs, and aesthetics. This regional customization strengthens the temple's connection with the local community and highlights the role of geographic segmentation in shaping consumer demand.

2.3.4 Economic Impact of Spiritual Consumption

Spiritual consumption has created a new market in Taiwan that contributes to the economy. According to Guanghua Magazine (2025),[22] the annual value of religious goods in Taiwan has exceeded NT$1 billion. This includes items sold by temples, charities, and faith-based social enterprises.

[22] "<2023 臺灣文化創意產業發展年報_官網.Pdf>."

By linking spiritual values with market needs, religious institutions generate stable income while supporting local industries and tourism. For example, festivals attract thousands of visitors, boosting hospitality and retail sectors.

Moreover, spiritual products now appeal to younger generations[23]. These consumers often look for items that align with their beliefs about health, sustainability, and personal growth.

2.3.5 Branding and Identity

Branding has become increasingly important for religious institutions in Taiwan. Temples such as Longshan Temple have developed strong public images that go far beyond providing spiritual services. Through their use of logos, packaging, and special events, they create a cultural brand that attracts both local visitors and international tourists (Chung, 2022).

Even newer FBSEs are using modern marketing strategies to connect with people's values. These organizations offer creative products that combine faith, tradition, and innovation, for example, smart prayer beads or eco-friendly candles. With the help of branding, they can reach wider audiences and stay relevant in a competitive market.

Besides Tzu Chi, many other temples are also working on building their brands. Longshan Temple, for instance, has become more than just a place of worship. It has grown into a tourist destination and a symbol of Taiwan's cultural identity. Its branding strategy brings together religious, cultural, and economic aspects, helping the temple draw in both local and international crowds. By selling religious-themed products and organizing popular events, Longshan Temple not only provides spiritual comfort but also contributes to the local economy.

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[23] {Flory, 2008 #9}

For example, during the annual celebration of Mazu's birthday, Longshan Temple welcomes thousands of worshippers and tourists. Alongside the ceremonies, the temple also sells souvenirs like Mazu statues and blessing accessories. These items have become important sources of income and strengthen the temple's brand presence in the market.

At the same time, many newer religious organizations are paying more attention to brand building. They are no longer focused only on spiritual services but are expanding into areas like culture and health. By offering diverse products and experiences, these faith-based social enterprises are meeting the modern public's needs—combining both spiritual and material values.

2.3.6 Commodification of faith

Spiritual consumption goes beyond the act of purchasing—it reveals how individuals pursue meaning, belonging, and moral expression in contemporary society. From a sociological perspective, such consumption represents emotional comfort, cultural identity, and ethical commitment. Faith-based social enterprises [24](FBSEs) play a central role in this transformation by offering goods and services that fulfill both material and spiritual needs. Yet, this trend raises a critical question: when faith becomes intertwined with consumer culture, does spiritual depth risk being replaced by material expression?

2.3.7 Challenges and Ethical Issues

As Taiwan's spiritual market continues to grow, several ethical concerns have started to appear. One major issue is authenticity. Some people worry that when religious items are turned into products and sold like regular goods, they may lose their original spiritual

[24] {Vanderpuye, 2025 #10}

meaning (Daas, 2023). This can be especially true when temples or faith-based social enterprises focus too much on marketing or trends.

Another concern is inequality. Many spiritual products, especially those tied to famous temples or well-known events, can be quite expensive. This might make lower-income believers feel left out, unable to participate fully in spiritual activities because of financial limitations.

To respond to these challenges, faith-based social enterprises (FBSEs) must find a balance between financial sustainability and their religious missions. They need to make sure their products are not only meaningful but also affordable and inclusive.

One idea that offers a different perspective is called “zero consumption.” This concept comes from Buddhist and minimalist teachings, which encourage people to live simply, avoid materialism, and focus on personal growth (Heelas, 1996). In religious life, this can be seen in practices like giving without expecting anything in return, living without luxury, or focusing on spiritual reflection instead of buying things.

However, in today’s consumer-driven world, especially in Taiwan, where many temples and FBSEs rely on branding and product sales, these values are hard to maintain. While selling spiritual goods helps fund important religious and social activities, it can also create pressure to focus more on profit than on faith. This can lead to problems such as losing the deeper meaning of religion or making spiritual spaces feel more like stores than places of worship.

In the end, it is important for religious organizations and FBSEs to keep asking: Are we supporting people’s spiritual lives, or are we just selling them another product? Finding that balance is key to keeping the spiritual market both ethical and meaningful.

2.4 Criticism of Faith-Based Social Enterprises (FBSEs)

As Taiwan's religious and spiritual market becomes more diverse, many faith-based organizations are turning to business-like models to sustain their work. This includes selling religious or cultural products, hosting events, or partnering with companies to spread their values. While this approach introduces innovation and financial flexibility, it also raises deeper ethical questions—especially around the rise of what scholars call "spiritual consumption." This refers to people seeking personal meaning or identity through buying religious items or participating in spiritually themed experiences. Although this offers a new form of engagement, it brings several challenges.

First is the issue of value dilution. When sacred objects or rituals are commercialized, they may lose their original depth, becoming overly commodified or entertainment-driven. Second, there's identity ambiguity—many of these organizations now operate as hybrids: part religious, part business, part social enterprise. This makes it hard to clearly understand their core mission. Third, there's the risk of social exclusion. When spiritual products are too expensive or events are tailored to specific social groups, lower-income believers might feel left out, which undermines the inclusive ideals of faith traditions.

These tensions show that balancing faith and commerce is far from straightforward. The rise of spiritual consumption makes this dynamic even more complex. The following literature review explores how these dynamics play out across different contexts and what they reveal about the role of faith-based social enterprises today.

2.4.1 Faith as Moral Capital

In many studies of faith-based social enterprises (FBSEs), moral legitimacy is identified as a key factor in their ability to build community trust and sustain social impact. [25]argues that these enterprises, by combining religious ethics with entrepreneurial strategies, are often

[25] {Bailey, 2010 #11}

perceived more favorably than conventional businesses, whose motivations may be viewed as self-serving. Religious affiliation, in contrast, tends to symbolize a commitment to the public good, thus enabling FBSEs to operate with greater social acceptance.

elaborates that FBSEs tend to adopt a holistic development approach[26], one that addresses not only economic and material needs but also spiritual and emotional dimensions. In his research, which examined religious development organizations working in the Global South, Luetzelschwab found that beneficiaries expressed a stronger sense of trust toward religious groups than toward purely governmental or secular international aid programs. This added level of trust significantly enhanced the effectiveness of these initiatives.

Green and Dodds (2014), in their empirical study of Christian social enterprises in the UK, discovered that local community members commonly viewed these organizations as "partners of integrity."[27] Even in times of funding cuts or organizational crisis, their religious identity served as a trust anchor that sustained community support. In a survey they conducted across 50 faith-based social enterprises, over 70% of respondents stated that the religious identity of the organization made it more trustworthy, further demonstrating the tangible value of trust capital.

From the perspective of institutional theory, this trust stems not merely from measurable outcomes but from religion's role as a normative institution. Religion transmits enduring values—honesty, justice, compassion—that align seamlessly with the goals of social enterprise. Thus, FBSEs enjoy an inherent advantage in achieving moral legitimacy, positioning them strongly within both civil society and policy environments.

2.4.2 Holistic Mission, Broader Impact

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[27] {Hoekstra, 2016 #12}

Faith-based social enterprises (FBSEs) are special because they have a dual identity—they are both religious groups and social businesses. This "hybrid identity" can be tricky to manage because they need to balance spiritual values with business goals. But at the same time, it gives them a big advantage: they can be more creative and flexible.

Juile Battilana and Matthew Lee (2014)[28] found that organizations that mix different ways of thinking—like religion and business—can come up with new and better ideas. For example, a faith-based social enterprise might use the trust and networks from its religious community, combined with business strategies, to create services that both help society and are financially sustainable.

Cornelissen et al. (2021) [29]also said that leaders who know how to combine these identities can make their organizations stronger and more adaptable. Some Christian social enterprises, for instance, focus not just on religion, but on helping the poor or supporting communities. That kind of message connects with more people and brings in more support.

Research also noticed that hybrid social enterprises often handle change better than normal businesses or nonprofits. Because they pull from both faith values and business tools, they can adjust more easily when policies or funding conditions change.

Being both religious and business-minded helps FBSEs come up with creative, culture-friendly ways to solve social problems—and that's a powerful strength.

2.4.3 Religious Identity as Strength

Faith-based social enterprises (FBSEs) often earn more trust and moral support from the public than regular businesses or even other nonprofits. That's because religion carries a kind

[28] Julie Battilana and Matthew Lee, "Advancing Research on Hybrid Organizing – Insights from the Study of Social Enterprises," *The Academy of Management Annals* 8, no. 1 (2014).

[29] Joep P. Cornelissen et al., "Building Character: The Formation of a Hybrid Organizational Identity in a Social Enterprise," *Journal of Management Studies* 58, no. 5 (2021).

of moral authority. Religions like Buddhism or Christianity promote values like love, compassion, and helping others—so people tend to believe that faith-based organizations are truly trying to do good.

Some research explained that people usually see faith-based groups as selfless and community-focused, which gives them what scholars call “moral legitimacy.” This means that the public feels these groups are doing the right thing and are more willing to donate money, volunteer, or get involved.

McGregor-Lowndes (2010) also noted that governments often trust religious social enterprises more, especially when it comes to working in rural areas or with vulnerable groups. These organizations are seen as reliable partners who already have deep community ties.

Green and Dodds (2014) found that Christian social enterprises in the UK often act as moral leaders in their communities. Their religious identity helps them gain more local support and attract more volunteers, which lowers the cost of organizing and running social programs.

Having a religious background helps FBSEs gain credibility and public trust, which makes it easier for them to carry out social missions, raise funds, and work with governments.

2.4.4 Faith vs. Inclusion Dilemma

Even though faith-based social enterprises (FBSEs) often do good work, they can sometimes struggle with a conflict between their religious values and the idea of being socially inclusive. Religion often has strict beliefs or rules, but modern social values emphasize diversity, equality, and inclusion. These two things don’t always go together smoothly.

Bailey and Roney (2021) found that some faith-based enterprises, especially those from conservative Christian backgrounds, may exclude people who don't fit their values, such as LGBTQ+ individuals or people from other religions. This creates a problem because social enterprises are supposed to help everyone equally, not just those who share the same beliefs.

Dey and Steyaert (2010) also criticized how some FBSEs tell their stories: they often speak from a "moral high ground," as if only their way of helping is truly good. This kind of messaging can alienate people who don't share their worldview, making these organizations less open or diverse.

McGregor-Lowndes (2010) added that when governments fund FBSEs without clear rules[30], there's a risk that public money is being used to push religious agendas. That can be unfair in a pluralistic society.

There's a real challenge for FBSEs: how to stay true to their religious mission while not excluding or discriminating against others. If not managed well, this tension can lead to unintended exclusion and loss of credibility.

2.4.5 Funding, Law, and Ethical Risks

Faith-based social enterprises often face a legitimate dilemma when operating in secular societies. That means they struggle to gain public trust and support while still staying true to their religious beliefs.

Mikalsen et al. (2020) showed that many FBSEs are asked to tone down their religious identity when working with governments, other nonprofits, or private companies. For example, Christian or Muslim organizations providing welfare services are sometimes told not to display religious symbols or talk about faith during service delivery. Otherwise, people worry they are trying to preach or convert others, which can lead to distrust.

[30] {Hoekstra, 2016 #12}

Cornelissen et al. (2021) also found that the leaders of these organizations often feel conflicted. They want to stay loyal to their faith, but also know that being "too religious" can hurt their reputation and limit funding opportunities. This creates a kind of identity struggle inside the organization, which can lead to confusion and inconsistency in how they present themselves.

FBSEs walk a fine line: if they emphasize their religion too much, they risk losing legitimacy in secular settings; but if they downplay their faith, they risk losing their original purpose and community support. This balancing act is a big challenge for long-term development.

2.4.6 Identity of Hybrid Systems

While faith-based social enterprises aim to help the disadvantaged, some studies show they might accidentally create social exclusion or unequal access to services.

Bailey and Roney (2021) studied Christian social enterprises in the UK and found that some programs were more welcoming to people who shared the organization's religious values. For example, shelters or food banks might encourage or even expect participants to attend prayer sessions or follow certain moral rules. People who didn't share those beliefs sometimes felt uncomfortable or even excluded.

This kind of practice, known as "selective welfare," raises concerns—especially in diverse societies. When public funds are used to support FBSEs, there's a risk that not everyone has equal access to help, especially if the support comes with religious strings attached.

Dey and Steyaert (2010) also argue that some faith-based organizations present themselves as morally superior,[31] which can lead to oversimplifying complex social issues.

[31] {Clarke, 2008 #13}

Instead of seeing poverty as a result of unfair systems, they may view it as a sign of personal failure or lack of faith. This can unintentionally blame the poor and make inequality worse.

If FBSEs aren't careful, they might exclude people who don't share their faith or even reinforce unfair power structures—even though their goal is to help.

In conclusion, faith-based social enterprises demonstrate significant social influence and ethical strength by merging religious values with business strategies. This fusion enhances their credibility in the public sphere and often serves as a key source of organizational legitimacy. The moral imperatives rooted in faith traditions imbue these enterprises with a deeper sense of mission, allowing them to pursue social, cultural, and environmental transformation with greater conviction. However, this hybrid nature also presents critical challenges—such as tensions between faith and social inclusion, legal and ethical risks in relation to government funding, and conflicts between religious identity and organizational roles. These recurring issues, highlighted across multiple scholarly works, underscore the institutional pressures and ethical dilemmas faced by hybrid organizations like faith-based social enterprises. Looking ahead, a key question arises: can this framework be applied to the transformation of religious organizations in Taiwan? Many Taiwanese religious groups resist being labeled as mere "social enterprises," believing their societal contributions surpass what the term implies. Therefore, future research must explore whether a context-sensitive framework, grounded in Taiwan's cultural and historical realities, can better capture the unique social practices of these religious actors.

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METHODOLOGY

3.1 Methodology

This study employs a phenomenological qualitative research method to investigate the experiences of Taiwanese religious believers participating in temple activities and their spiritual consumption behaviors. Phenomenology emphasizes understanding individuals' subjective experiences and the meanings they ascribe to them. Therefore, it is well-suited for analyzing how believers perceive and practice their faith. This research focuses on the connection between religion, consumption, economics, and politics, aiming to understand the cultural and social context underlying religious practices through the narratives shared by believers.

3.2 Research Design and Participants

This study uses purposeful sampling to select participants who have a religious background and are involved in temple activities. Participants are between 25 and 60 years old, with actual religious practice experience. They are also interested in or have purchased religious products related to temple design, showing a close link between their faith and consumer behavior. Some participants are especially interested in temple culture and collect or buy spiritual products such as incense, amulets, or religious souvenirs. These participants help reveal how religious practice is expressed in today's consumer society. Furthermore, in order to make the research more comprehensive, we have added the observation method as a supplement.

3.3 Inclusion criteria:

1. Aged between 25 and 60

2. Self-identified as religious believers

3. Actively participate in temple-related religious activities

4. Have experience in purchasing or following religious products (e.g, incense, amulets, spiritual goods)

5. Show a high interest in temple culture and value its cultural meaning or symbolism

6. Temple management members or administrative staff

Data is collected through semi-structured interviews, using open-ended questions to guide participants in sharing their experiences and views. Topics include their religious participation, how they receive information about religion, how often they interact with religious places, their spiritual consumption habits, and their opinions on the relationship between religion, economy, and politics. This method helps the researcher understand how individuals explain their own religious practices and offers insight into the structure and changes in Taiwan's religious and consumer culture.

3.4 Data Collection

3.4.1 Employing the method of on-site interviews

This study collected data through semi-structured in-depth interviews with individuals aged between 25 and 60 who profess a religious belief and actively participate in religious activities. Semi-structured interviews offer flexibility, enabling researchers to explore the personal experiences and perspectives of participants while ensuring that key research

questions are addressed (DiCicco-Bloom & Crabtree, 2006).[32] All interviews were conducted face-to-face at temples that had agreed in advance to participate in the study. The interviews took place either within the temple or in a nearby quiet and comfortable environment, allowing participants to speak freely. Each interview lasted approximately 30 to 60 minutes.

A pilot interview was first conducted with an individual who was not included in the final analysis, in order to assess the clarity and flow of the interview questions. Revisions were made based on feedback from this pilot. The interview questions focused on participants' experiences with religious involvement, sources of religious information, and their views on the relationship between religion, economics, and politics. Sample questions included:

1." I believe that the social transformation trend of integrating public welfare with the economy in recent years has had an impact on traditional religious organizations."

2. When religious groups carry out new types of activities (such as cultural and creative products and festival commercialization), they are often at a loss due to unclear regulations.

3. The public's perception of religious organizations selling spiritual goods.

4. I think the concept of religious operating organizations brings more restrictions than opportunities to temples.

[32] Barbara DiCicco-Bloom and Benjamin F Crabtree, "The Qualitative Research Interview," *Medical Education* 40, no. 4 (2006).

5. If temples can make good use of economic management behavior, it will help the sustainable development of religious organizations and extend their influence.

6. In the current Taiwanese regulations and social atmosphere, religious operating organizations are easily misunderstood in economic and public welfare activities.

7. Religious operating organizations should use their innovative capabilities to adjust their business methods to meet society's new expectations for the "public welfare economy" and not stick to conventions.

8. Overall, I think the transformation of religious operations presents more challenges than opportunities for religious organizations like ours.

9. The religious institution I belong to has a clear organizational structure and division of responsibilities.

10. The decision-making process within the organization is transparent and participatory. 11. Our religious institutions are actively involved in beneficence, environmental, educational, or other public welfare activities.

Supplementary Question

- What is your opinion on the business activities of religious organizations such as medica l care and education?

- Is it necessary to transform?
- What transformations or activities do you think may be debatable?
- Or should we wait for the organization to develop more fully before implementing?
    - What activities or transformations do you feel need to be accelerated?
- Which activities or transformations do you think contribute the most to society?
- What professional units of religious organizations have successfully transformed?
    - Do you agree? disagree? Why?
- How many people are there in your temple?
- How many permanent directors and chairmen are there?
- How often do you have meetings?

All interviews were audio-recorded with participants' consent and transcribed verbatim to ensure the accuracy and completeness of the data.

3.5 Data Analysis

This study adopted thematic analysis to interpret the interview data, following the six-step process proposed by Braun and Clarke (2006).[33] The goal was to identify and analyze core patterns and themes within the data. The analysis proceeded as follows:

1. Familiarization with the data: Researchers read and re-read all interview transcripts to develop a deep understanding of the content.

[33] Deborah Bekele and Angel Martínez-Hernáez, "Qualitative Studies on Men with Prostate Cancer: A Systematic Meta-Synthesis," *International Journal of Qualitative Studies on Health and Well-being* 20, no. 1 (2025).

2. Generating initial codes: Meaningful segments of the data were identified and coded, with a focus on key words and ideas relevant to the research questions.
3. Searching for themes: Codes were grouped into broader themes based on recurring patterns and shared meanings.
4. Reviewing themes: Themes were refined to ensure they accurately captured the essential aspects of the data.
5. Defining and naming themes: Each theme was clearly defined and labeled—for example, "The Influence of Religion on Voting Behavior" and "Economic Dimensions of Religious Belief."
6. Writing the report: The final report presented the findings supported by direct quotations from participants to illustrate and strengthen the thematic analysis.

Through this analytical approach, the study gained deeper insight into how religious individuals perceive the interaction between faith, economic activities, and political engagement.

3.6 The Observation Method

3.6.1 Reason choice observation method

The second research method employed in this study is the Observation Method, which serves as a supplementary qualitative research approach. Given that Taiwanese temples function as multifaceted institutions with religious, cultural, and social roles, their transformation during the process of social enterprise development is often implicit in their

faith practices and daily interactions. Relying solely on secondary data or interview material would therefore make it challenging to fully present the actual operational context. Furthermore, some temples have directly declined interview invitations, and even those willing to cooperate generally exhibit a high degree of defensiveness and information retention. The Observation Method emphasizes data collection within natural settings, allowing the researcher to personally observe the behavioral patterns of temples at the nexus of market forces and religious belief. This approach consequently yields first-hand data that possesses greater authenticity and depth. A key feature of the Observation Method is the researcher's direct participation and on-site observation to systematically record data, including behavior, language, interactions, and environmental characteristics, with the aim of understanding the meaning and context of social actions. This method effectively compensates for potential narrative biases and cognitive discrepancies arising from the interview method and helps uncover the unspoken yet de facto behavioral norms and economic logic of the research subjects. Therefore, the Observation Method is particularly well-suited for analyzing how temples navigate and establish a balance between religious tradition and the modern market, thereby demonstrating the concrete implementation of their social enterprise transformation.

3.6.2 Research Subjects and Locations

To ensure the representativeness and diversity of the observational data, this study selected three temples located in different regions and representing distinct faith systems as research subjects for observation:

- Kaohsiung Sanfong Temple (高雄三鳳宮): A representative Mazu worship center in the Southern region, known for its large-scale follower activities and diverse range of cultural and creative merchandise.
- Yuhuang Temple（玉皇宮): Characterized by the integration of traditional worship and local public welfare, this temple exemplifies the features of a medium-sized temple's localized operation and strong community linkage.
- Taipei Jingfu Temple (臺北景福宮): Situated in a metropolitan core area, this temple actively develops innovative religious products, showcasing the market-oriented development trend of urban-based temples.

3.6.3 Observation Procedures and Data Collection

This study adopted a method of short-term field observation. The research was conducted from June 2025 to August 2025, during which the researcher performed on-site observation and documentation at each of the three aforementioned temples. Each observation session lasted approximately two to four hours.

The observation was conducted in a non-participatory manner, with the researcher maintaining a purely spectator role to avoid interfering with the temples' daily operations.

The methods of data collection included:

- Field Notes: Real-time documentation of the temple's spatial layout, follower behavior, merchandise sales processes, and interaction contexts.

- Photo and Video Documentation: Capturing images of product displays and environmental arrangements, provided that these records did not interfere with religious activities.
- Researcher Reflexive Journal: Immediate post-observation journaling of the researcher's subjective feelings and preliminary analysis, serving to supplement non-verbal data dimensions.

3.6.4 Data Analysis Procedures

Upon completion of data collection through observation, the researcher employed Qualitative Content Analysis for the systematic induction and interpretation of the data. Through thematic categorization and organization of behavioral patterns/imagery, the analysis focused on discerning the market logic, social values, and religious symbolic meanings reflected in the temples' sales of spiritual merchandise. Furthermore, utilizing Social Enterprise Theory as the analytical framework, the study investigated how temples realize the dual objectives of economic self-sufficiency and social public good while concurrently preserving their core religious spirit.

3.7 Expected Research Outcomes

1. Financial Transparency and Business Model Innovation Pressures

The shift toward social entrepreneurship introduces pr ensures for modernization and transparency in financial systems. Religious organizations are thus compelled to restructure their financial frameworks, profit distribution mechanisms, and operational logic—posing challenges to traditional donation-based models such as the incense money system.

2. Impact of Religious Economic Activities on Believer Consumption Behavior

The emergence of spiritual commodities may alter believers' donation and consumption habits, shifting from a model of "pure donation" to one oriented toward "exchange value" (e.g., purchasing spiritually significant items). This transformation could influence their motivation for religious participation and the way they practice their faith.

3. Governance Models of Temple-Based Social Enterprises

Temples must establish governance models that balance religious ethics with business efficiency. This includes implementing oversight mechanisms (e.g., board of directors), developing transparent financial structures, and incorporating participatory decision-making processes involving followers.

3.8 Core Elements

1. Economic Strategies for Religious Resources

Examines how temples utilize religious resources—such as donations, physical spaces, brand identity, and volunteer labor—to generate economic value.

2. Market Mechanisms for Spiritual Commodities

Analyzes how spiritual teachings and religious-themed cultural products are introduced into the market, how they interact with consumers, and the sustainability of such practices.

3. Impact on Local Economies

Assesses how temple-based social enterprises influence the local economy, including sectors such as tourism, labor, and small community businesses, and whether these enterprises contribute to community revitalization.

4. Behavioral Shifts in Believers' Economic Practices

Observes whether spiritual commodities or new donation mechanisms lead believers to alter their donation patterns, forms of participation, or sense of religious identity.

5. Operational Models and Financial Challenges

Explores the financial planning issues, profit allocation, and the challenges of legalizing commercial structures faced by religious organizations during their transformation into social enterprises.

3.9 Expected Findings: Roles and Functions of Local Temples in Contemporary Taiwanese Society

1. Institutional Diversity and Administrative Models

It is expected that the interviewed temples—such as Dazun Cisheng Temple (大村慈聖宮), Zhenlan Temple (大甲鎮瀾宮), Wanxing Temple (社口萬興宮), and Tzu Chi Temple in Fengyuan (豐原慈濟宮)—will reveal variations in administrative structure, including temple boards, chairpersons, and temple secretaries. These differences may reflect broader organizational shifts from hereditary temple leadership to democratic or bureaucratic management styles.

3 Integration with Civic and Local Governance

Temples such as Zhenlan Temple, with its high-profile leadership, are anticipated to exhibit close ties with local government and political networks. We expect findings to indicate that such temples play a dual role—as religious institutions and as semi-public spaces involved in local affairs, fundraising, elections, and infrastructure projects.

4 Community Welfare and Public Services

Temples like Cisheng Temple and Wanxing Temple, which operate in smaller townships, are likely to serve as hubs for social services. These may include disaster relief, food offerings, elder care, and scholarships. These activities reflect the temple's evolution into civil society actors beyond spiritual concerns.

5 Gendered Labor and Volunteerism

The study anticipates evidence of gender-specific roles in temple management and rituals. For example, Guandu Temple (關渡宮) and Beitou Cihou Temple (北投慈后宮) may highlight the participation of women in ritual preparation, volunteer associations (媽祖會), and community outreach, revealing the social dynamics embedded within temple workforces.

6 Ritual Economy and Religious Tourism

Temples such as Zhenlan Temple, known for its large-scale pilgrimages, are expected to show strong links between ritual practices and the local economy. This includes income from incense donations, religious festivals, guided tours, and merchandise, contributing significantly to regional economic flows and religious branding.

7 Sacred Space and Urban Identity

Urban temples such as Guandu Temple and Cihou Temple in Beitou are anticipated to illustrate how temples negotiate their presence in dense urban environments—balancing traditional spiritual practices with modern demands such as zoning laws, tourism, and digital outreach (e.g., email-based contact: guandu1712@gmail.com).

8 Temple Networks and Regional Influence

Temples with broader influence (e.g., Zhenlan Temple and Fo Guang Shan branches) may serve as nodes in trans-temple networks, supporting other temples through resource sharing, joint events, and public relations. This may demonstrate how some temples extend their influence beyond their immediate geographic area.

9 Adaptation to Contemporary Media and Communication Tools

It is anticipated that more prominent or urban temples, such as Guandu Temple, use digital platforms (email, livestreams, social media) to communicate with followers and donors. This digital adaptation reflects a shift toward modernized religious outreach and temple transparency.

10 Scheduling and Temporal Structures of Temple Life

The availability of temple leaders, such as interviews scheduled for weekday mornings at Cisheng Temple (Monday 1–3 PM; Wednesday–Thursday 9–11 AM), may reflect the rhythm of temple operations and reveal how daily, monthly, and annual ritual calendars structure temple life and personnel availability.

11 Regulatory Limitations of Taiwanese Temples

The study finds that Taiwan's government currently manages temples only through administrative measures, without a legal framework to regulate their activities. This has led to tax evasion issues, as seen in the Dajia Jenn Lann Temple case. It also shows that temples are transitioning toward social enterprises but lack proper legal support.

DATA ANALYSIS

4.1 Data collection

In Taiwan society, the existence of temples is not only central to religious belief but is also inseparably linked to local communities, cultural preservation, and the local economy. Following social structural transformation and the diversification of values, the function of temples has gradually demonstrated a dual dimension encompassing both "sociality" and "economic utility." In addition to maintaining the core roles of religious rituals and providing spiritual solace, many temples are also actively involved in public welfare, charitable giving, cultural education, and local tourism. Furthermore, through branding and cultural and creative development, they have emerged as crucial nodal points for driving tourism and the community economy. In this context, **"**spiritual consumption**"** has become not only an important medium for believers to practice their faith but also a critical mechanism driving the operational economics of temples and the development of their faith culture. Examples such as lighting prosperity lamps, peace talismans, amulets, **r**itual implements, incense and offering tools, religious cultural and creative products, incense ash trinkets, and blessing events, are all concrete manifestation**s** of devotees' expression of piety and emotional sustenance. Simultaneously, they reflect a growing trend where religious spaces are becoming increasingly integrated with market demands.

Spiritual consumption carries a dual significance encompassing both spiritual and economic aspects: on the one hand, it perpetuates the function of religious symbolism and the connection with devotees; on the other hand, it also forms the foundation for temples to maintain economic autonomy and sustainable development. However, this phenomenon of development has given rise to controversies regarding the potential over-commercialization of religion, the purity of faith, and financial transparency. This also presents challenges for

researchers during the processes of data collection and interviews.

A. Date collection

In the initial stage of the study, the researcher encountered significant difficulties in data collection and fieldwork. Some temples directly declined the invitation for an interview, and even those willing to cooperate generally exhibited high levels of defensiveness and information retention. Explanations regarding the sales of spiritual commodities or financial operations were often vague or inconsistent with publicly available information. This "discrepancy" reveals the conflict between the practice of faith and economic behavior and also reflects the struggle of religious institutions when confronting modernization and marketization.

B. Strategy Adjustment

To overcome the data limitations and interview constraints**,** this study adopts a qualitative research approach, combining **"**in-depth interviewing**"** with **"**on-site observation**"** The qualitative interviews focused on temple administrators and devotees from temples of varying scales and characteristics, aiming to understand their attitudes, strategies, and patterns of faith practice regarding spiritual consumption. The on-site observation allowed the researcher to personally participate in faith activities, documenting pilgrim behavior, pedestrian flow distribution, commodity display, and sales interactions. This further enabled the analysis of the symbolic meaning and social functions of religious consumption. The two methods are complementary, not only mitigating the **restrictions** imposed by interview data but also allowing the researcher to delineate the overall operation of temples across three dimensions: behavioral, spatial, and institutional.

C. Research Focus

For the selection of research subjects, the researcher chose SanFeng Temple, YuHuang

Temple, and Jingfu Temple, which have relatively limited public information, alongside Dajia Jenn Lann Temple, Shekou WanXing Temple, and FengYuan CiHji Temple, which possess more complete public data. The former group was primarily studied through on-site observation and interviews to present the role and operational models of small-to-medium-sized temples within their communities. The latter group involved interviews, supplemented by public data and literature analysis, to investigate the institutionalized operation, public welfare engagement, and spiritual commodity operational strategies of large-scale religious organizations. Through this comparative analysis, we aim to explore the differences and adaptation strategies of various temple scales in the practice of spiritual consumption and religious economy. In summary, this study not only delineates the diverse manifestations of Taiwanese temples but also attempts to address the core question: In a modernized and commodified society, how do temples strike a balance between religious spirituality and economic practice**?** Furthermore, how does spiritual consumption impact devotees' faith participation, cultural identity, and the organizational transformation of religious sites。By employing qualitative research methods coupled with fieldwork observation, this study strived to collect data from a neutral stance to explore the resilience and multiple facets displayed by Taiwanese religious sites amid institutionalization, economic integration**,** and social expectations, thereby aiming to meet the standards of research validity and reliability.

4.2 Research Object

1. Data collection and fieldwork

A Dajia Jenn Lann Temple

Dajia Jenn Lann Temple, located in Dajia District, Taichung City, is one of Taiwan's most representative centers of Mazu belief, with a history tracing back to the Qianlong era of

the Qing Dynasty. Jenn Lann Temple enjoys flourishing incense offerings and attracts devotees from all over Taiwan. In particular, the annual "Dajia Mazu Pilgrimage", held in the third lunar month, has become one of the world's three major religious festivals. It attracts hundreds of thousands of people who walk alongside the procession, making it not only a magnificent humanistic and religious spectacle but also an embodiment of the cultural depth of Taiwanese folk belief. Along the route, local residents light lamps to greet the sedan chair (迎駕), stores set up offering tables, and the continuous flow of traditional performance troupes demonstrates the collective memory and cultural vitality of Taiwanese folk belief.

During on-site interviews, temple staff mentioned that Jenn Lann Temple is not only a center of faith but also a crucial pillar of the local economy and public welfare. The temple has already transitioned into a modern center of faith, moving beyond traditional religious models and keeping pace with the times by implementing technological measures such as online live streaming, GPS positioning systems, and online prayer lamp lighting. These measures enable devotees from distant locations to participate in the activities. Regarding environmental protection, Jenn Lann Temple advocates for "reduced incense and firecrackers" by substituting traditional incense burning with electronic incense and candles, thereby minimizing air pollution and promoting "green faith." Furthermore, the temple has long established scholarships, relief funds, and social welfare funds to assist vulnerable groups. It also actively participates in local infrastructure development, such as road repair and supporting firefighting equipment, thereby demonstrating the social responsibility of a religious organization.

Devotees interviewed generally indicated that the faith associated with Jenn Lann Temple has long transcended the level of religious ritual, becoming a crucial symbol for consolidating local sentiment and identity formation. Many view participating in the pilgrimage as a "pilgrimage journey," through which they achieve spiritual purification and a

sense of collective belonging. Jenn Lann Temple not only perpetuates the Mazu belief's spirit of compassion and salvation but also strikes a balance among cultural preservation, tourism promotion, and sustainable development. It is thus considered a paradigm of religious modernization and social engagement in Taiwan.

B Shekou Wanxing Temple

Sheou WanXing Temple, located in the Shekou area of Taichung City, is a typical "community-based" Mazu temple, characterized by simple and approachable religious activities. Compared to large-scale temples, WanXing Temple may be modest in place, yet it serves as a focal point for consolidating local sentiment among residents. During fieldwork**,** it was observed that the temple holds a high degree of daily significance in the lives of residents: elders can be seen burning incense and praying for blessings in the early morning, while volunteers organize the environment in the evening. Festive rituals such as the "Ritual of Praying for Peace" and the "Ghost Festival Universal Salvation Rite" are collectively organized by households, with participants predominantly being residents, thus forming a family-style faith community

Interviews with board members indicated that WanXing Temple operates with transparency and democracy. Temple affairs announcements are regularly posted on the bulletin board in front of the temple, and community residents are invited to participate in decision-making. This "co-governance mechanism" enables faith space to become a crucial platform for social solidarity. The temple also actively engages in public welfare affairs, such as environmental advocacy, community cleaning, elder care and visitation, and the donation of epidemic prevention supplies, thereby demonstrating the social function of religious practice. It is noteworthy that WanXing Temple prioritizes the preservation of traditional performance troupes (藝陣), such as the Eight Generals (八家將) and dragon dance activities.

These groups are self-organized and practiced by local youth, showcasing the continuity and dedication of local culture.

During interviews, many devotees emphasized the concept that "Mazu is in the heart, and faith is in daily life," indicating that WanXing Temple's religious activities are deeply integrated into daily routines. Overall, WanXing Temple presents the profile of a "small but beautiful" religious organization, characterized by its sincere human care and practical community action. It is not just a temple but a core of local life that connects residents, preserves culture, and practices the spirit of mutual assistance, thereby embodying the profound value of integrating religion into daily life and the fusion of community faith.

C Fengyuan Cih Ji Temple

Fengyuan Cih ji Temple, located in the Fengyuan District of Taichung City, is one of the most representative Mazu temples in the locality, boasting a large number of devotees and flourishing incense offerings. Fieldwork and interviews revealed that Cih ji Temple is situated at the core of the commercial district, surrounded by a thriving marketplace. The space in front of the temple has become a crucial gathering point for public assembly and commercial interaction, where faith and economic activities interweave and coexist. During every festival, the square in front of the temple is crowded with people praying for blessings and engaging in worship, creating a vibrant atmosphere.

Temple personnel interviewed indicated that the mission of Cih Ji Temple is to "propagate faith through culture". Accordingly, the temple actively organizes art and cultural exhibitions, religious lectures, and guided tours, allowing devotees to gain a deeper understanding of the history and values of Mazu belief. The aesthetics of the temple's decoration are meticulously studied; the carvings and paintings are exquisitely refined, showcasing the local feature of integrating craftsmanship with faith. The temple also

promotes a "Cultural Volunteer Program," encouraging the younger generation to participate in temple affairs and learn religious guiding, thus enabling the intergenerational transmission of faith.

Furthermore, Cih Ji Temple exhibits great proactivity in the aspect of public welfare. Devotees interviewed mentioned that the temple has long provided scholarships, emergency relief funds, and winter care activities, thereby implementing the Mazu spirit of compassion and salvation. In facing the changes of modern society, Cih Ji Temple has introduced a digitalized management system and an electronic incense and candle platform, balancing both traditional faith and sustainable environmental protection. It is thus evident that Cih Ji Temple is not only a center of religious faith but also plays the role of local cultural education, art promotion, and social welfare. By utilizing culture as a bridge, it transforms Mazu belief from traditional ritual into a force for social participation, demonstrating the profound social capital's public value of religion in contemporary urban life.

Interview target basic information

Table 4. Basic Information of Interview Respondents

Category	Da Jia Jenn Lann Temple (Est. 1732)	Shekou Wan Xing Temple (Est. 1720)	Feng Yuan Cih Ji Temple (Est. 1777)
Organizational System	General Assembly of Devotees, Supervisory Committee, Secretariat, Board of Directors	General Assembly of Devotees, (Supervisory Committee) Secretariat, (Board of Directors)	General Assembly of Devotees, Supervisory Committee, Secretariat, (Board of Directors)
Geographic Coverage	Dajia is the core, with branch temples spanning Taiwan and overseas.	Shekou and neighboring townships.	FengYuan as the core, influencing Taichung City and the surrounding townships.
Scale of Devotees	Mobilizes hundreds of thousands of participants for the	Primarily residents and regular pilgrims	Local residents and cross-regional pilgrims.

	pilgrimage; a broad base of **permanent devotees**.		
Spiritual Commodities	Peace Talismans, Incense, Joss Paper Pilgrimage Banners, Cultural Shirts, Charms/Trinkets, Prayer Lamp Lighting Service.	Peace Talismans, Incense, Joss Paper, Charms/Trinkets, Amulets.	Peace Talismans, Blessing Ornaments/Charm s , Souvenirs, **Prayer Lamp**
Public Welfare Affairs	**Scholarships**, **Emergency Relief**, **Cultural Preservation**, **Environmental Advocacy**, reflecting the integration of faith and **social enlightenment/public good**.	**Elder Care and Visitation**, **Community Cleaning**, **Festival Donations**, demonstrating **community mutual assistance** and **cultural continuity**.	**Community Care**, **Cultural Lectures**, **Scholarships**, **Emergency Relief**, illustrating the **public dimension of faith in daily life**

2. On-site interview target

A Kaohsiung San Feng temple

Kaohsiung Sanfeng Temple, located in the Sanmin District, is one of the most representative Mazu belief centers in Southern Taiwan. The researcher utilized the observation method to conduct on-site documentation and found that the temple enjoys flourishing incense offerings. Furthermore, San Feng Zhong Street, located directly in front of the temple, is Kaohsiung's famous wholesale distribution center for traditional goods, where devotees and tourists intermingle, forming a unique space characterized by the co-prosperity of religion and commerce. San Feng Temple features magnificent architecture, with upturned eaves and flying corners on the roof, and vibrantly colored cut-and-paste porcelain depictions of dragons and phoenixes that are dazzling. The temple place is

constantly bustling with people throughout the day. On weekdays, devotees are primarily composed of families, couples, or elders, who perform incense burning for blessings and divination blocks with piety and orderly actions. It was observed that most devotees tidy their clothing and press their palms together before entering the main hall, demonstrating the traits of self-discipline and reverence within the faith.

During festival periods, particularly the Mazu Birthday Celebration in the third lunar month, San Feng Temple becomes the focal point of the entire city. The researcher observed that during the events, red lanterns were hung on both sides of the temple, with incense smoke lingering, drums and music resounding, and performances by traditional troupes and dragon dances filling the scene with a high degree of cultural integration. Stores along the street responded to the festival by launching blessed commodities and cultural and creative souvenirs, extending the religious activity into the sphere of commercial culture. Notably, the temple places an extremely high emphasis on order and environmental protection; designated garbage sorting areas are set up on-site, and volunteers patrol the area to remind the public to reduce incense and firecrackers

Furthermore, San Feng Temple's "Peace Banquet" and charitable donation activities indicate that its social role extends beyond the level of faith, encompassing the consolidation of community sentiment and the promotion of mutual assistance. The researcher observed that devotees helped one another distribute incense and guided newcomers through the proper order of worship, demonstrating strong community interaction. Overall, San Feng Temple is a dynamic space that integrates religion, commerce, and public welfare. It not only carries the tradition of Mazu belief but also reflects the rhythm of modern urban life. The interweaving of faith practices, public events, and cultural economy makes it an important example for observing the modernization of urban religion. The implicit understanding and natural cooperation among devotees are proficient, suggesting a high degree of self-discipline that

requires little need for excessive institutional regulation.

B Kaohsiung Yu Huang Temple

Kaohsiung Yu Huang Temple, located in the Lingya District, is one of the most representative "Heavenly Emperor Temples" (天公廟) in Southern Taiwan. Using the observation method, the researcher entered the temple at various times and found that the atmosphere of faith here is solemn and respectful; the incense is flourishing but not overtly noisy. Yu Huang Temple features towering architecture. The main hall is dedicated to the Jade Emperor (玉皇大帝), while the side halls enshrine various deities, with the spatial design reflecting a sacred order of ascending levels. Devotees inside the temple mostly remove their hats and purify their hands before offering three sticks of incense and performing the kowtow ritual (叩首禮), demonstrating a deep belief in the concept of "revering Heaven" (敬天).The researcher specifically conducted observation during the "Heavenly Emperor's Birthday" (天公生) on the ninth day of the first lunar month. On that day, the area in front of the temple was crowded with people, and incense smoke curled upward. Many devotees brought offerings, such as longevity peach towers, candy platters, and joss paper, and entered the temple in family units. Volunteer teams-maintained order and guided the flow of people. The temple broadcast reminders to devotees to conserve incense and practice environmentally friendly worship, demonstrating the institutionalization and professionalization of modern religious management. During the observation, young people were seen taking photos, while elders recited scriptures and prayed for blessings, presenting a notable scene of intergenerational integration. During weekday hours, the faith activities at Yu Huang Temple shift toward daily routine. Services such as prosperity lamps, **Taisui lamps** (太歲燈), and peace ritual**s** attract regular devotees for registration, forming a long-term interaction

relationship. Concurrently, the temple promotes community education, elderly care activities, and environmental seminars, enabling the religious space to serve both educational and social service functions. The researcher observed that devotees at Yu Huang Temple generally exhibit a rational and restrained behavioral pattern, reflecting the spiritual principle of **"**reverence for Heaven, recognition of fate, and compliance with the natural order**"** (敬天知命、順應天理). Overall, Yu Huang Temple symbolizes the core value of **"Heaven-Human Ethics"** (天人倫理) in the urban context. Its strict order**,** environmental ethos, and social engagement make it an important observation point for the modernization of Daoist faith.

C Taipei Jing Fu Temple

Taipei Jing Fu Temple, located in the Zhongzheng District, is one of the most representative City God belief centers (城隍信仰中心) in Northern Taiwan. The researcher visited the temple multiple times using the observation method and found that the temple is closely intertwined with urban life. The place in front of the temple serves as a resting spot for residents during the day and transforms into a religious space interwoven with incense and light at night. Jing Fu Temple features elegant architecture; the statue of the City God (城隍爺) is solemn and imposing, and the stone carvings on the walls paint the imagery of Yin-Yang Judgment (陰陽審判意象), creating a strong religious symbolism. Weekday observations showed that devotees are primarily composed of middle-aged and elderly groups; office workers also visit during their lunch breaks to burn incense and make wishes, demonstrating the integration of faith and daily life. The sounds of chanting and gongs intermingle, creating a solemn yet quite atmosphere. During festival periods, such as the City God's Birthday and the City Patrol Ritual (巡城儀式), the area outside Jing Fu Temple is crowded with people. The City God procession is composed of musicians, flag bearers, and

honor guards, parading along the streets to symbolize the "investigation of good and evil". The researcher observed that citizens bowed in respect along the street, and there were even young photographers documenting the entire parade, indicating that the religious activity has become an urban cultural event. Jing Fu Temple also emphasizes publicity and educational function. The temple has set up cultural guide boards, volunteer interpretation stations, and environmental recycling bins, actively promoting eco-friendly faith and community integration. Observations revealed that young volunteers play a crucial role during activities, responsible for guiding tours, distributing incense, and assisting devotees, demonstrating the positive outcomes of religious intergenerational transmission. Overall, Jing Fu Temple exhibits the modern characteristic of "publicization of religious space": it is not only a place of worship but also a node for social interaction and cultural education. The temple transforms the traditional City God belief into a symbol of urban civic spirit, making it one of the most representative case studies for observing the modernization of urban religion in Taiwan.

3. Interview target basic information

Table 5. Field Visits and Interview Subjects

Category	Kaohsiung Sanfeng Temple (Est. 1673)	Kaohsiung Yu Huang Temple (Est. 1920)	Taipei Jing Fu Temple (Est. 1875)
Organizational System	General Assembly of Devotees, Supervisory Committee, Secretariat, Board of Directors	General Assembly of Devotees, (Supervisory Committee), Secretariat, (Board of Directors)	General Assembly of Devotees, Supervisory Committee, Secretariat, (Board of Directors)
Geographic Area	Kaohsiung as the core, with a wide base of pilgrims from Southern	Lingya District, Kaohsiung, and neighboring	Taipei metropolitan area and major Northern cities.

	counties and cities.	metropolitan areas.	
Devotee Population	Annual festivals mobilize hundreds of thousands of visitors/pilgrims.	Primarily local residents and fixed/regular devotees.	Office workers, residents, and stable pilgrims.
Spiritual Commodities	Peace Talismans, Joss Paper, Cultural Shirts, Incense Pouches, Souvenirs/Mementos.	Peace Talismans, Amulets, Prosperity Lamps, Peace Rituals/Dharma Services, Incense.	Peace Talismans, Charms/Trinkets, Joss Paper, Prayer Lamp Lighting Service.
Public Welfare & Engagement	Charity Bazaar/Sales, Scholarships, Vulnerable Group Assistance, Environmental Advocacy, demonstrating social responsibility linked to local industry.	Elderly Care Services, Blood Donation Drives, Disaster Prevention Advocacy, reflecting faith ethics and community educational functions.	Environmental Recycling, Youth Volunteers, Community Mutual Assistance, Cultural Lectures, demonstrating an awareness of public governance in urban faith

4.3 Conclusion and research findings

I. **Research finding ： The Extra-Institutional Status of Taiwanese Temples**

This study finds that there is currently no uniform and universally recognized tax law applicable to religious temple organizations in Taiwan. Although Article 13 of the Constitution guarantees freedom of religious belief, and the Regulations for Temple Registration provide a basis for registration, religious organizations are not explicitly included in the clear legal frameworks of the Income Tax Act, the Profit-Seeking Enterprise Income Tax Act, or the Non-Profit Organization Act. Due to the lack of a unified legal structure, the financial activities of temples operate in a liminal or peripheral institutional space. Income such as votive money (香油錢), temple construction funds, pilgrimage event

fees, and revenue from prayer lamps (平安燈收入) are all forms of donations rooted in folk beliefs, making them difficult to define as "income" or "operating revenue." This ambiguity renders most temples "extra-institutional" entities, lacking legal clarity in terms of tax declaration, financial transparency, or regulatory accountability. In this context, this study categorizes Taiwanese temples into three types based on their degree of institutionalization, financial transparency, and forms of social participation:

- Institutionalized religious organization
- Semi-institutionalized temples
- Local community-type temple

The following analyzes the three types and explores the positioning of religious organizations between charity and social enterprise based on the Social Enterprise Spectrum theory of Dees (1998)[34].

I Tape one: Local community-type temple

A. Organizational Characteristics and Tax Practices

Local community-based temples are often spontaneously established by residents, and their service scope is limited to a specific community or village. Their primary functions are the maintenance of faith, community mutual assistance, and cultural preservation, rarely involving large-scale economic activities. Their main sources of revenue are votive money and devotee donations, which are usually recorded simply by the temple keeper or the board of directors and are not formally reported for tax purposes. The Formation of Social Capital Despite their limited financial scale, local community-based temples establish an important social support network within the community (social networking). These temples provide

[34] "<Dees_Se.Pdf>."

spiritual solace, disaster assistance, and festival activities, reinforcing local social ties. Consequently, they form informal social capital, constituting the core of localized folk belief culture.

B. Positioning on the Social Enterprise Spectrum

According to Dees' Spectrum, this type of temple is located at the endpoint of "Pure Mission-Centered, Non-market Orientation". Their activities involve little to no market exchange and exhibit no tendency toward commercialization. Although they lack institutionalized management, their significance lies in reinforcing community cohesion and cultural continuity. The source of their social capital stems from proactive donations and commitment by residents or local gentry/notables (在地仕紳), thereby solidifying their function as a center for interaction.

Table 6. Hybrid Spectrum (1)

Traditional Nonprofit	Nonprofit with Income-Generating Activites	Social Enterprise	Socially Responsible Business	Corporation Practicing Social Responiibility	Traditional For-Profit

Hybirid Spectrum

☺ The highlight in this table indicate the position of this temple on the social spectrum

II. Tape two: Semi-institutionalized temples

A. Organizational Characteristics and Tax Practices

The Grey Area of Taxation and Governance semi-institutional temples, exemplified by Dajia Jenn Lann Temple, wield strong faith-based cohesion and economic influence within Taiwanese society. The annual Mazu Pilgrimage mobilizes hundreds of thousands of

participants, driving local tourism, catering, and transportation industries. However, the financial management of these temples often operates in a grey area. Their revenue sources, including votive money, pilgrimage donations, souvenir sales, and event sponsorships, are substantial in amount but lack a comprehensive public reporting system. Although these temples establish a management committee and an internal accounting system, most are not legally registered as juridical persons and do not possess formal tax status. The regulatory vacuum left by the government means that financial transparency relies on the temple's self-regulation, making effective external supervision difficult.

This phenomenon highlights the contradiction between religious freedom in Taiwan and the state institutional framework. Excessive governmental intervention might spark controversy over the "infringement of religious freedom," but complete laissez-faire could lead to financial abuse and a "butterfly effect". This situation reflects the tension between religious autonomy and public governance, which is also the central issue in the discussion of Taiwan's religious tax system.

B. Positioning on the Social Enterprise Spectrum

According to Dees' theory, mid-sized temples are classified as Hybrid Organizations, characterized by a "Mission-centered yet Moderately Market-Oriented" approach.

They possess the capacity for self-financing and strong social influence, but have not yet established an institutionalized management structure. If they would be able to establish transparent financial reporting and governance standards, they possess the potential to transform into a social enterprise

Table 7. Hybrid Spectrum (2)

Traditional	Nonprofit	Social	Socially	Corporation	Traditional

Nonprofit	with Income-Generating Activite	Enterprise	Responsible Business	Practicing Social Reponibility	For-Profit

Hybrid Spectrum

☺ The highlight in this table indicate the position of this temple on the social spectrum

III. Type three: Institutionalized religious organization

A. Organizational Characteristics and Tax Practices

Institutionalized Religious Organizations, such as the Tzu Chi Foundation (慈濟功德會) and Fo Guang Shan (佛光山), generally possess formal juridical person status and perform financial reporting and tax declarations in accordance with the law. These organizations adopt an enterprise-like management model, featuring administrative personnel, financial units, a volunteer system, and clear charters, allowing them to effectively operate diverse endeavors such as charity, education, and medical services.

Due to their high degree of legalization and institutionalization, these organizations are able to collaborate with the government, corporations, and International Non-Governmental Organizations (NGOs), becoming representative religious public welfare institutions. Their revenue is diversified, including donations, sales of publications, and volunteer activities; however, their utilization and distribution strictly adhere to transparency mechanisms.

B. Positioning on the Social Enterprise Spectrum

According to Dees (1998)'s Social Enterprise Spectrum, this type of religious organization is situated in the segment characterized by "High Market Orientation and High Social Mission." They not only emphasize religious faith but also pursue social impact through organized management and commercial models.

Taking Tzu Chi as an example, its medical welfare system demonstrates clear financial

self-sufficiency while simultaneously maintaining its public welfare nature. Fo Guang Shan, conversely, targets cultural education and international dharma propagation, exhibiting both market operation and social mission.

Table 8. Hybrid Spectrum (3)

Traditional Nonprofit	Nonprofit with Income-Generating Activites	Social Enterprise	Socially Responsible Business	Corporation Practicing Social Responsibility	Traditional For-Profit

Hybrid Spectrum

☺ The highlight in this table indicates the position of this temple on the social spectrum

The path of social enterprise of religious organizations：

Table 9. The Pathway of Social Enterprise Transformation in Religious Organizations

Temple Type	Juridical Person Status	Financial Transparency	Social Mission	Market Orientation	Position on the Spectrum
Local Community-Based Temple	None	Low	High	Low	Pure Mission-Centered Orientation
Semi-Institutionalized Temple	Semi-Institutionalized	Medium	High	Medium	Hybrid Social Organization
Institutionalized Temple	Yes	High	High	High	Social Enterprise-Type Religious Organization

IV. Core Findings of the Study

The temple system in Taiwan exhibits a dual structure spanning from macroscopic governmental regulation to organizational internal institutionalization. Its operation is guided by the framework of administrative law and regulations while simultaneously deepening the internalized practice of religious governance through self-regulatory mechanisms, thereby forming a social paradigm of mutual construction between religion and institutions. The worldly spirit of Humanistic Buddhism (人間佛法入世精神) allows Buddhist doctrines to transcend formal dogma and enter multiple domains, including education, culture, public welfare, and social services, transforming into a philosophy of action that integrates faith and reality. Temples are not isolated religious sites but constitute a four-sector collaborative system with government agencies and private enterprises. Through resource complementarity and social innovation, they drive local development and community co-prosperity. The concept of "Boundless Dharma" (佛法無邊) symbolizes the transcendence and universality of the religious spirit, establishing its core role in contemporary social governance, cultural regeneration, and ethical reconstruction. This makes the temple a crucial nodal point connecting faith, institutions, and social practice

4.4 Institutional constraints and organizational challenges

a. Government Action Plan and Institutional Framework

Although temples play a significant role in Taiwan's religious and social life, the government's current supervisory system still exhibits fragmentation and limitations. The Regulations for Temple Registration merely provide a basic registration procedure, yet fail to establish a unified legal and taxation framework within the Income Tax Act or the Non-Profit Organization Act. Due to the lack of a clear institutional foundation, government oversight is weak. The majority of temples essentially operate in a "grey area" that is extra-institutional, making financial declaration and transparency difficult to implement. When competent

authorities audit items such as votive money (香油錢), prayer lamp revenue, and event income, they often encounter issues of ambiguous definition and enforcement difficulty. This legal Vulnerabilities not only weakened the government's regulatory capacity but also leaves temples without clear standards to follow, resulting in substantial difference in management models and financial practices across different regions.

b. The Metaphysical Orientation of Taiwanese Temples

The majority of Taiwanese temples still operate primarily around religious rituals and spiritual activities, demonstrating a strong metaphysical orientation (形而上傾向). This characteristic stems from the long-standing cultural tradition and religious symbolism inherent in Taiwanese folk belief. However, this also results in temples lacking specific administrative management and institutional innovation when confronting modern social and economic demands. Many temple leaders prioritize rites, divination, and blessing services as spiritual practices, while relatively ignore aspects such as financial record-keeping, public decision-making, and social responsibility. This operational model, which over-relies on "transcendent symbolism," while helpful in maintaining the religious sentiments of devotees, limit the temple's progress in institutionalization and modern governance. Consequently, It is difficult to translate its religious influence into concrete social action.

c. Lack of Drive for Organizational Institutionalization and Professionalization

Despite the high visibility and strong social connectivity of temples within communities, the majority still lack the driving force for organizational institutionalization and professional management mechanisms. Their internal structures are typically run by a board of directors composed of volunteers or local devotees, lacking a juridical person framework, full-time personnel, and an institutionalized decision-making system. Due to the lack of long-term development plans or performance evaluation mechanisms, temple management often relies

on traditional conventions and temple follower self-discipline, consequently lacking the capacity for modern organizational change and innovation. This "organizational inertia" makes it difficult for temples to actively respond to social change and prevents them from forming a sustainable development model. Only through strengthening organizational capacity, introducing professional governance, and institutionalized management can temples transition from being static religious faith sites to faith-based organizations with the potential for social innovation

4.4.1 The Inner-worldly Involvement of Humanistic Buddhism

a. Spiritual Commodities

Across the six temples investigated in this study, "spiritual commodities" have become a crucial medium for devotees to practice their faith and for temples to maintain operations. From Dajia Jenn Lann Temple's pilgrimage banners (進香旗), cultural shirts, and electronic lamp lighting, to San Feng Temple's blessing charms and cultural creative souvenirs, all reflect the integration of religious belief and market logic. These commodities not only possess the functions of praying for blessings and protection/amulets, but also carry cultural memory and emotional symbolism. Some temples further incorporate local characteristics into their designs; for instance, Feng Yuan Cih Ji Temple launched blessing ornaments featuring Mazu imagery, thereby enhancing the cultural value of religious items through aesthetic packaging. Overall, the diversification of spiritual commodities indicates the concrete practice of temples integrating faith into daily life under the concept of "Humanistic Buddhism".

b. Marketing Strategies

Modern temples no longer rely solely on traditional devotees but actively utilize technology and media to expand their religious influence. Dajia Jenn Lann Temple attracts

remote believers through measures such as online live streaming, GPS positioning, and online prayer lamp lighting. Jing Fu Temple and Yu Huang Temple, conversely, establish a "modern faith" image through environmental advocacy, volunteer-led tours, and social media promotion. These strategies enable faith to diffuse from fixed physical spaces to online communities, forming cross-regional faith commonalities. Some temples further integrate local tourism with cultural creative activities; for instance, San Feng Temple launched a "Blessing Bazaar" during festivals, combining religious activities with the local economy. This demonstrates the trend of socialization and integration into daily life in the marketing application of "Humanistic Buddhism" .

c. Dharma Propagation

All six temples exhibit a tendency toward the "educationalization of faith". Cih Ji Temple and Wan Xing Temple actively organize religious lectures, art and cultural exhibitions, and cultural guided tours, transforming Buddhist doctrines into understandable and practical life ethics. Yu Huang Temple and Jing Fu Temple promote the concepts of "revering Heaven, environmental protection, and moral edification" through volunteer training and interpretive guiding. These activities ensure that the Dharma extends beyond chanting and rituals to encompass educational, cultural, and environmental dimensions, thereby implementing the core spirit of "Humanistic Buddhism". This approach allows religious doctrines to respond to social needs and strengthen civic awareness and environmental responsibility. This practical application of the metaphysical "goodness" of faith into daily life not only promotes the spiritual aspects of the Dharma but also subtly and concretely transforms devotees through "embedded habits" – a concept recognized in sociology.

d. Social Impact

At the level of social practice, all temples exhibit a strong commitment to public welfare and social responsibility. From Jenn Lann Temple's scholarship and relief fund system to Wan Xing Temple's elderly care and community cleaning, and further to San Feng Temple and Jing Fu Temple's charity bazaars and environmental advocacy, religion is not merely spiritual solace but also an integral part of **s**ocial solidarity and public governance. These actions embody the transformation of **"**Humanistic Buddhism**"** from faith into concrete social action, allowing the religious space to become a field for cultivating civic morality and social mutual assistance.

Overall, Taiwanese temples are realizing the religious modernization practice of **"**taking humans as the foundation and society as the domain**"** (以人為本、以社會為場域) inherent in Humanistic Buddhism, achieved through the integration of faith into daily life and social engagement.

4.4.2 Definition and composition of departments

A. Definition:

[35][36]Dedourny and Pestoff (2008) Three-Sector Model (State–Market–Community) provides an important theoretical framework for analyzing the operation of social services and public policy. This model clearly divides the distribution of social resources and the provision of services into three interdependent sectors: the State, the Market, and the Community. Among these, the Nonprofit Organizations **(NPOs)** sector is located at the core, which assume a crucial intermediary role linking the public sector and the market sector. NPOs are centered on social mission and citizen participation, are non-profit-oriented, and can flexibly fill the gap**s** in State and Market services. They provide services with social value and promote the rational distribution of resources and the enhancement of overall social well-being. This theory not only emphasizes the complementarity and collaboration among the three sectors but also highlights the indispensable core status of NPOs in modern social governance and social innovation.

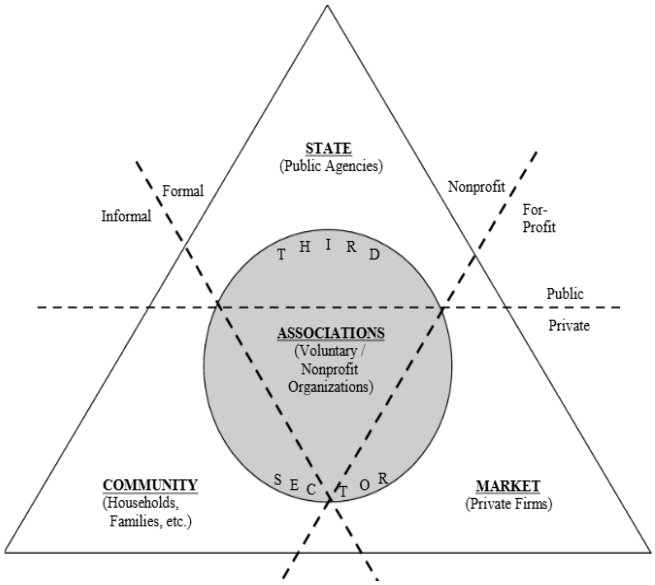

Figure 4. The Three-Sector Model

I. State Sector

The State sector centered on public interest, social order, and institutional legitimacy, is responsible for formulating laws and policies, allocating public resources, and maintaining

[35] {Pestoff, 2014 #39}

social justice. It is characterized by authority, legality/rule of law, and universality, possessing the formal power to regulate social behavior and guarantee public services. The objective of the State sector is not profit-making, but rather to ensure the equitable distribution of social resources and the maintenance of basic livelihoods, and to form an institutional support structure through administrative, legislative, and judicial bodies.

II. Business Sector

The Market sector operates with market mechanisms and the pursuit of efficiency as its core logic. Its primary objectives are the creation of economic value and the realization of profit. Its actions are driven by competition and innovation, promoting socioeconomic development through capital operation and the supply of goods and services. The Market sector is characterized by autonomy, efficiency, and risk-taking. Although its purpose is profit-making, under the framework of Corporate Social Responsibility **(CSR)** and Environmental, Social, and Governance **(ESG)**, its scope has gradually expanded to include aspects of social contribution and ethical practice, making it a crucial participant in public governance.

III. Community / Third Sector

The Community sector, the family as the most fundamental social unit, serves as the micro-level foundation for the functions of the Community sector, acting as the starting point for resource provision, social support, value transmission, and citizen participation. Through the involvement of families and individual communities, NPOs (Nonprofit Organizations) can effectively mobilize voluntary services, promote social mutual assistance, and generate localized social capital. This, in turn, strengthens the Community sector's supplementary and coordinating functions in public policy and social services. Furthermore, the family, as the foundational unit of the Community sector, plays a crucial role in driving social innovation,

cultivating a sense of civic responsibility, and achieving social equity and well-being. In summary, the operation of the Community sector is deeply embedded in the daily participation and **s**ocial interaction at the family and individual levels, forming a chain for social governance and the realization of public value that extends from the micro to the macro level.

B. Meaning of Non-profit Organization

The term Non-profit Organizations (NPO) originated from Section 501(c) of the United States Internal Revenue Code (IRC). This section lists various eligible charitable organizations that qualify for federal income tax exemption and typically exist with the primary goal of promoting the public good/interes**t**. These charitable organizations can include non-profit institutions across diverse fields, such as educational institutions, cultural and artistic organizations, scientific research institutions, and religious groups. Furthermore, they include other non-governmental entities such as foundations, juridical persons**,** and community associations.

These organizations are generally not profit-oriented; their surplus and funds are typically used to support their mission and objectives rather than being distributed to individual shareholders or owners. Their goal is to provide **s**ervices, support, or resources for society or specific groups to enhance social well-being (郭儆承,2016)

C. Cooperation between Non-Profit Organizations and the Third Sector

In Dedourny and Pestoff (2008) Three-Sector Model, Non-profit Organizations (NPOs) establish collaboration with other entities in the Third Sector to enhance the efficiency of social services, expand social impact, and fulfill their public welfare mission. This cooperation involves multiple functions and concrete methods of practice: Firstly, collaboration facilitates resource integration and sharing, encompassing financial capital,

materials, professional expertise, and volunteer manpower. This allows participating organizations to effectively overcome their resource limitations and provide services that are broader in scope or more targeted.

Secondly, cooperation emphasizes mission-orientation and value co-creation. Different organizations can collaboratively drive social innovation projects, such as developing cultural creative products, hosting community education activities, or planning cultural exhibitions and community festivals. This approach integrates the social mission with the creative industry, resulting in outcomes where both public value and economic value are simultaneously created.

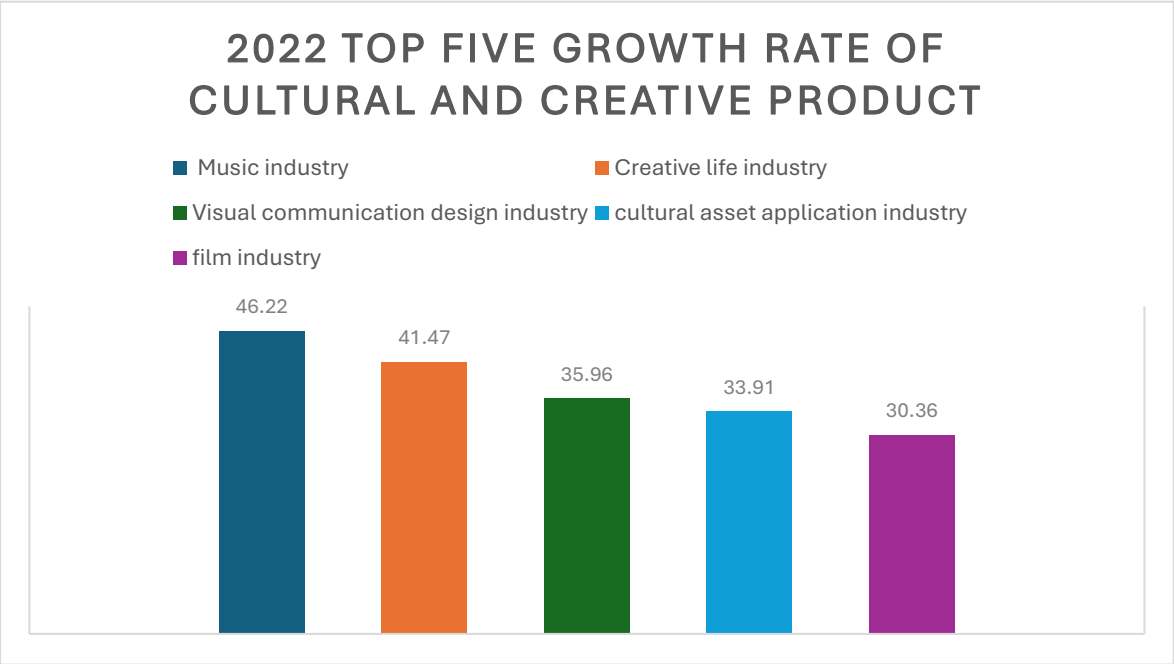

Figure 5. Cultural and Creative Product

*圖表參考資料：**2022-2023 臺灣文化創意產業發展年報***

D. Reasons for cooperation between non-profit organizations and the third sector

I Inter diver

Cultural Preservation and Social Engagement as Core Drivers Cultural preservation is a crucial core driver of Taiwanese temples. As an important representative of Taiwanese

culture, temples have the vital mission of preserving and maintaining tradition. This is profoundly embodied in the temples' architecture, rituals, and artwork. This mission of cultural preservation compels Taiwanese temples to continually innovate in both form and substance**,** solidifying their stable cultural status throughout history. Through constant innovation, such as designing temple-related cultural and creative products and selling spiritual commodities, Taiwanese temples successfully inject traditional culture into modern life, bringing unique cultural charm to the communities. Furthermore, the internal drive of Taiwanese temples is demonstrated by their active participation in social affairs. As an integral part of society, Taiwanese temples are involved in various community activities, including educational lectures and public welfare. For instance, Taichung Jenn Lann Temple allocates a portion of its revenue to school scholarships and emergency relief funds. This participatory attitude not only promotes community cohesion and development but also showcases the sense of responsibility displayed by Taiwanese temples during contemporary social transformation. Simultaneously, it has earned Taiwanese temples a good reputation globally, garnering widespread support. These elements—ranging from religious faith and cultural maintenance to social engagement—collectively form a stable brand core for Taiwanese spiritual or cultural and creative products. This internal impetus not only allows temples to continuously innovate but also enables them to adapt to the changes of the times and sustain their positive contribution to society.

II External driving force

A social enterprise (SE) is a special type of organization that can be either a for-profit company or a non-profit group.

These enterprises use scalable and sustainable business models, putting most of their profits back into the organization to keep solving social or environmental problems. They aim to improve human well-being and turn corporate social responsibility (CSR) into long-term

business practice.

These social enterprises can offer products and services that promote social responsibility or environmental protection. They may also support society by purchasing products and services made by disadvantaged or marginalized groups, or by creating jobs and education opportunities, improving children's health, housing, and water resources management to respond to climate change.

Successful social enterprise models can also influence government policy, making governments pay more attention to social and environmental issues. They also help nonprofit groups become more financially independent. Well-known ideas such as Bill Gates's Creative Capitalism and Michael Porter's Shared Value Theory highlight the growing positive impact of social enterprises.

4.4.3 The Dharma is boundless, but institutions are limited.

Based on research data and qualitative interviews, Buddhism is boundless, and the Buddha can exist in any form. It can appear through miracles or through people; that is, the believers themselves. So as long as any object or person is connected with the image of the Buddha, it can be seen as something related to it. In the study, this idea is shown through spiritual products and spiritual consumption, such as amulets, incense bags, and pilgrimage clothing. Without the Buddha's blessing, these are just ordinary objects. However, there are also commercial activities involved, such as blessing ceremonies and lighting a lamp of wisdom. These actions bring both reputation and income to the temples because people feel comfort and satisfaction through these products and activities.

Most people also think this is reasonable, since temples need money to keep running. Yet, this also brings temples into contact with worldly rules and systems. Temples are meant to serve the Buddha, and the nature of the Buddha is to save and guide all beings. Therefore, according to the research, temple authorities often believe that all of these activities are done

for the Buddha's purpose. In fact, this way of thinking and acting has long been a deep-rooted part of Taiwanese culture.

The government also gives temples more freedom because they are part of religion. According to the research interviews, Chen Jin-Hsiang, the head of Shekou Wanxing Temple, said: "We serve the Buddha, and our believers trust us because we work for the gods and the Buddha. They believe we will act honestly and do good things. We also use the Buddha's influence to help people. For example, we have set up an organization or foundation under the Buddha's name, offer scholarships, and donate money to orphanages. The temple has even received recognition from the government. We also have a clear system of organization and transparent management, so believers can see everything and feel confident when they come to worship."

Another interviewee, Lin Guang-Chi, assistant to the vice chairman of Dajia Jenn Lann Temple, said: "The temple simply uses the influence of the gods to spread Buddhist teachings and help people. Through this divine influence, temples can also improve and elevate themselves."

However, when asked "whether we need the government to make laws that make religious activities more open and transparent?" Both interviewees said that; "Temples are not businesses. They are places for faith and spiritual comfort, not for profit. But to make believers feel more secure, temples also provide receipts and share information publicly to stay transparent. Therefore, they believe there is no need for set up a law because temples can discipline themselves under the guidance of the gods."

The government also respects this attitude, as religion is part of Taiwan's traditional culture. In fact, it is people who use the influence of the gods and Buddhas to help their communities or larger groups. Temples work across religion, social welfare, and economic activities, creating a system where humans guide religion in an organized way while keeping

its public welfare. However, to rebuild social trust toward temples, the government could make small adjustments in tax regulations. This would help small or less-organized temples have clearer goals for improvement, balancing faith with modern management and social impact. By using the Buddha's name and moral influence, temples can reach more people and attract support from citizens and businesses.

This cooperation between religion, charity, and the economy is clear in examples such as the nine-day Dajia Jenn Lann Temple pilgrimage, which greatly boosts the economy of central and southern Taiwan. Many companies also join voluntarily to offer services, showing how strong the gods' influence is.

In Taiwan's traditional culture, this spiritual power is essential; whenever people see or think of something related to the Buddha, it goes beyond its ordinary meaning. Because of the gaps in the system, some religious activities may be misunderstood by the public. Local temples or semi-institutional temples often need more help, since compared to more organized temples such as Dajia Jenn Lann Temple, Fengyuan Ciji Temple, and Shekou Wanxing Temple, the difference in transparency is huge.

Local and semi-institutional temples usually have weak systems, poor organization, and unclear tax management. Government laws could help these temples improve, turning small groups of power into centers for community development and social welfare.

Although research shows that well-known religious organizations in Taiwan are moving toward institutionalization, but institutions are, after all, worldly limitations, while the Buddha's realm cannot be bound by any rules. Therefore, in the short term, this process will likely continue in the same way, moving step by step toward the path of becoming social enterprises.

CONCLUSION AND SUGGESTION

5.1 Research Summary

This study explores the social changes of temples in Taiwan.

It examines how they balance religious beliefs with economic activities in a time of modernization and diverse social values, and whether they show characteristics of social enterprises or hybrid organizations. This study uses qualitative research approach, and selects six temples for analysis, such as Dajia Jenn Lann Temple, Shekou Wanxing Temple, Fengyuan Ciji Temple, Kaohsiung Sanfeng Temple, Kaohsiung Yu Huang Temple, and Taipei Jingfu Temple. The study also compares the six temples in four aspects: organization, spiritual consumption, community service, and financial transparency. The results show that the development of temples in Taiwan reflects a mix of social, cultural, and economic factors.

First, spiritual consumption has become an important way for believers to practice their faith and for temples to stay financially independent, showing how religion and the market are becoming more connected.

Second, the increasing organization and professional management of temples give them features similar to social enterprises. Temples of different sizes show different levels of structure and market-oriented: local temples focus on community faith and mutual help; medium-sized temples combine charity work with business activities; and large religious organizations, such as Fo Guang Shan and Tzu Chi, have built formal systems and developed various branches, showing strong social influence and sustainable development.

5.2 Theoretical Implications

This study is based on Dees' (1998) Social Enterprise Spectrum theory to analyze how religious organizations position themselves between faith and the market.

The results show that temples in Taiwan can be grouped into three types according to their

level of organization and market focus: community temples, semi-institutional temples, and institutional religious organizations.

These findings broaden the link between social enterprise and religion studies, showing that religious groups are not only places of faith but also social actors that work between charity and business.

The “two-valued logic” of religion and market—religious ethics and market thinking—coexists and interacts in temple operations, showing how temples balance spiritual values with financial sustainability.

5.3 Practical Implications of the Study

The findings of this study provide important insights for the government, religious organizations, and social enterprise development:

1. Government level:

   Current laws, such as the Temple Registration Regulations and the Income Tax Act, have caused religious groups to operate outside the formal system. It is suggested that the government create a specific law for religious non-profit organizations to clearly define rules for financial management, tax reporting, and transparency.

2. Religious organization level:

   Temples can use business management methods and social impact tools to build transparent systems and professional volunteer training programs. This can help ensure that religious practices and social responsibilities go hand in hand.

3. Community level:

   Local and medium-sized temples can act as community centers to promote local development and social cooperation. They can work with schools, businesses, and government agencies to create cross-sector platforms for social innovation.

5.4 Limitations

Although this study provides valuable data and insights, it still has several limitations: the case samples are mainly from central and southern Taiwan, some temples refused to be interviewed, the research period was short, and quantitative analysis was lacking.

Future studies can use surveys and statistical modeling to support the qualitative results and compare how different religions develop social enterprise models.

5.5 Future Research

This study shows that religious organizations in Taiwan are gradually changing from traditional places of worship into religious social enterprises that combine social function and financial ability. Religious belief is not only a source of spiritual consolation but also creates public value through social action. In the future, with better laws and policy support, religious organizations can operate under transparent and legal systems, helping to build a new model of faith-based social economy and becoming an important milestone in Taiwan’s religious modernization and social innovation.

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