

# ORGANISED LABOUR IN TAIWAN: THE MAIN ISSUES AND DATA AT STAKE

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Taiwan belongs to the first generation of New Industrialised Countries. During the martial law era of 1947-1987, it underwent a profound export-driven industrialisation process with very high rates of economic growth. In the early 1960s, industrial production exceeded agricultural for the first time and in the 1970s industrial and service sector employment exceeded agricultural sector employment. The lifting of martial law in 1987 saw an emerging organised labour movement that developed as part of the broader democracy movement. The movement eventuated in the organisation and foundation of autonomous labour unions, where ‘autonomous’ meant independent from the Kuomintang (KMT) single-party regime’s institutionalised control. The unions fought for annual pay rise, recognition of national-level federations, employment insurance, and protection against workplace injuries. As Taiwan faced persistent economic recession, unions battled against privatisation policies put forward by both KMT and Democratic Progressive Party (DPP) administrations, and for the reform of three important labour laws: the Labour Union Law, the Labour-Management Dispute Settlement Law and the Collective Agreement. More recently, labour unions struggled against the reform of the Labour Standard Act, which was approved in January 2018 to give employers the power to force workers to work 12 consecutive days with a break of only eight hours between shifts. Prior to the reform, workers were required a break of 11 hours per seven consecutive workdays. The law has nullified years of struggle for better working conditions.

The political emancipation of labour unions was followed by a progressive erosion of worker rights and has resulted in Taiwan racing to the bottom of global labour standards. Organised labour in Taiwan is characterised by its continuing low rate of unionisation, which has caused a profound void of worker representation since the beginning of democratisation. Two major causes are the unionisation procedure, as stipulated in the 1929 Labour Union Law, and the composition of Taiwan’s industrial structure. [The Labour Union Law](#)’s ‘single-compulsory union system’ stated that a company with more than 30 workers was obliged to organise a labour union and that only a single union was allowed to form in each company. During the martial law era, this rule made unionisation compulsory for enterprises with more than 30 employees with the main purpose of fragmentation and control. Despite the later abolition of the single-compulsory union system, the threshold of 30 workers remained. In this way, unionisation in enterprise units smaller than 30 employees, which continues to be the vast majority in Taiwan, is severely hindered.

Taiwan’s industrial structure is mainly characterised by a wide variety of small and medium enterprises in the light industry sector. These are usually family based and with fewer than 30 employees, or one of a few large conglomerates in the strategic and heavy industry sectors. During the martial law era, 60% of private manufacturing sector employees were working in

establishments which employed fewer than 30 employees, and in the service sector small establishments were even more predominant. According to the [national statistical portal of the Republic of China](#), at the end of 1996 of a total of 866.573 enterprises, only 0.08% were public enterprises. Furthermore, of the total private enterprise units, 96.8% had fewer than 30 employees and were not obliged to form a union. This gap widened at the end of 2001 with the implementation of privatisation policy. Among 935.316 enterprises, only 0.04% were public while those with fewer than 30 employees constituted 97%. In 2016 of a total of 1.296 million enterprise units, 78.6% were under five employees and 99.7% of enterprise units were private. Small-to-medium sized businesses constitute the main productive force in Taiwan and employ nearly 70% of workers. However, the Labour Union Law is unable to keep up with unionisation needs in the vast majority of small enterprise units.

These data show that labour unions represent a small and decreasing percentage of the Taiwanese workforce. Unionised workers comprised 33% of a labour force of 9,310 million in 1996; 29.2% of 9,832 million in 2001; 29.1% of 10,917 million in 2009; and 28.3% of 11,874 million in 2018 – after the amendments of the Labour Union Law eliminated compulsory unionisation. Further, under this law a ‘labour union’ has been divided into four categories: corporate, industrial, professional, and confederated. In this division, industrial unions occupy a very small percentage of unionised workers. For example, [in 2018 of a total of 3,396 million unionised workers, only 2.56% belonged to an industrial union](#). Professional unions, on the contrary, constitute a type of union open to non-worker wage earners: self-employed, unpaid workers and subcontractors. Professional unions remain widespread, especially in the service sector, and group workers according to profession, such as taxi drivers, tailors, barbers, waiters, truckers, etc. Registration with professional unions is aimed at guaranteeing insurance coverage and a pension. As the above data on unionised workers show, union registration has increased in number, but not in real participation.

Thus, labour unions in Taiwan have mainly represented employees of private, large-scale sectors and of the few remaining state-owned enterprises (SOEs). Since large private companies and SOEs represent just a tiny slice of the industrial and service sectors, more attention should be paid for a concrete expansion of unions, especially as the vast majority of enterprises are small, family and private enterprises. A recent Taipei Times [editorial](#) has also argued this point. Furthermore, workers would derive better labour rights coverage if they were more effectively represented in politics. The KMT and DPP have pursued pro-labour policies mainly during electoral campaigns but failed to follow through. However, the question of workers political representation and unionisation does not only concern Taiwan. It is a crucial problem of global neoliberalism and has in Taiwan coincided with the fall of KMT authoritarianism.

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