Report on Bilateral Agreement on Recruiting and Managing of Foreign Workers: The Case of Taiwan

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I. The Need for Bilateral Agreement on Recruiting Foreign Workers

1. Excessive Referral Fees
2. The Rising Number of Missing Workers
II. Number of Bilateral Agreements

So far Taiwan has signed bilateral agreements with Indonesia, The Philippines, Mongolia, Thailand and Vietnam.
Taiwan and the Philippines

Taiwan and Thailand

Bilateral Agreement Between 
the Taipei Economic and Cultural office 
in Thailand and 
The Thailand Trade and Economic Office in Taipei 
on Employment of Thai Workers 
December 2002
Taiwan and Mongolia

Memorandum of understanding between Mongolia and Taiwan regarding labor cooperation Oct 2001. This is one of the most complete agreements because it spells out employment conditions, duties and responsibilities of the labor sending organization, the labor receiving organization, duties and responsibilities of the employers, of the employees, arbitration procedures.
III、Purpose of the Agreement: to recruit the number of workers needed by Taiwanese Employers and to Improve the Managing of foreign Workers in Taiwan
IV. Labor Sending Countries Promise to Send the Number of Required and Qualified Workers to Taiwan within Certain Period
The Taipei Economic and Cultural Office in Hanoi (hereinafter referred to as “Party A”) and the Vietnam Economic and Cultural Office in Taipei (hereinafter referred to as “Party B”)

Acknowledging the mutual desire of promoting friendship and expanding co-operation under the principle of equality and mutual benefit to both countries,

Desiring to ensure appropriate working conditions for the Vietnamese workers working in Party A’s country (hereinafter referred to as “the Vietnamese workers”) and supply competent workers to employers who hire Vietnamese workers (hereinafter referred to as “Employers”) in Party A’s country,
ARTICLE 1

Party A agrees to receive Vietnamese workers to work in Party A’s country. Employment categories and quota is at the discretion of Party A.

ARTICLE 2

Vietnamese workers working legally in Party A’s country shall enjoy protection under the laws of Party A’s country.

ARTICLE 3

In the case of any labour dispute between Vietnamese worker(s) and Employer(s) in Party A’s country, the dispute shall be handled under the laws and regulations of party A’s country.
ARTICLE 4

Party B shall provide concrete and effective measures to guarantee the compliance of Vietnamese workers with the laws and regulations of Party A’s country and the fulfillment of contract obligations by the Vietnamese workers. Party B shall remain in contact with the said workers at all times.

ARTICLE 5

Vietnamese workers coming to Party A’s country for employment shall beforehand provide party A with written proof of technical skills, health certificate, non-criminal record, and other necessary documents as stipulated in the laws governing the employment of foreign labourers in Party A’s country.
ARTICLE 6

In order to simplify the procedures and guarantee the interests of both Employers and Vietnamese workers matters related to the sending of Vietnamese workers to Party A’s country shall be administered by the competent authorities of the respective countries.

ARTICLE 7

Party B guarantees to send Vietnamese workers to Party A’s country within one month after the signing of the recruitment contract between Employer(s) or their representatives and Vietnam’s duly-designated labour sending companies.
1) Whereas, it is the desire of TECO and MECO to immediately implement a special hiring facility which will enable employers in the ROC to hire Filippino Workers without the intervention of manpower agencies from both parties.

2) The special hiring facility shall be on a trial basis.

3) There shall be no discrimination between special hiring facility and existing hiring system through the manpower agencies.
4) The Special hiring facility shall be regarded as a second option for employers and is not intended to replace altogether other opinions of hiring through manpower agencies.

5) The schedule of expenses of workers hired through the special hiring facility shall be mutually agencies by both parties without prejudice to the welfare of the workers and relevant laws and rules on both sides.
1) Both parties agree to set up direct employment program which will enable employers in Taiwan to employ Thai workers without the intervention of private employment agencies both parties.

2) The direct employment program shall be regarded as one of the options to recruit Thai workers for employers in Taiwan, and is not intended to replace the recruitment through private employment agencies.
3) Both parties agree to cooperate in order to promote and facilitate the recruitment of Thai workers as well as to control and monitor the employment of Thai workers subject to the laws and regulations concerned.

4) Both Parties agree to assist Thai workers facing programs in their employment.
V. Obligation of the Labor Sending Country in Accepting Workers Return to Their Home Country
ARTICLE 8

Upon expiration or termination of an employment contract or when Vietnamese workers are requested to leave Party A’s country in accordance with its laws and regulations. Party B shall accept the immediate return of the said workers to Vietnam.

ARTICLE 9

Party B shall appoint competent official(s) to Party A’s country to work within the framework of Party B to handle labour affairs relative to this Agreement.
VI、Duration of the Current Agreements is 3 years they can be Terminated by Either Party with Advance Notice
Example:

ARTICLE 11

This Agreement shall enter into force upon signature and remain effective for a period of three years. Either Party may at any time give written notice to the other party of it’s intention to terminate this Agreement. In such case, this Agreement shall terminate three months after the date of receipt of such notice by the other Party. Employment contracts signed prior to the date of termination of this Agreement shall remain effective without any prejudice to any rights or obligations accruing or incurred under this Agreement.
VII、Responsibility of Health Insurance and Other Benefits
Example:

ARTICLE 10

Medical expenses incurred by Vietnamese workers during their stay in the country of Party A’s when these workers are not qualified for health insurance shall be borne by the Vietnamese labour sending companies using a fund established by the companies for this purpose and under the appropriate supervision of Party B.
Diagram 1: Bilateral Recruitment Arrangements between Taiwan and Vietnam

CLAs, Taiwan

Veterans’ Labor Department, Vietnam

Bureau of Overseas Employment

Government-operated Brokerage Firms

Direct Recruitment

Labor Brokerage Firms

Large Firms

Small Employers

Negotiation

Approval

Approval and Management

Approval

Approval
Diagram 2: Actual Recruitment Process and the Distribution of Profits, Vietnam Side

- Vietnamese Government: 9%
- Government operated Employment Agencies: 13%+
  - Local Governments: 8%
  - Job Brokers: 3%
  - Brokerage Firms on Lease: 4%+
- Vietnamese Workers: About 40% stays in Vietnam
<table>
<thead>
<tr>
<th>Item</th>
<th>Fees regulated by gov’t</th>
<th>US dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health check</td>
<td>VND $500,000-600,000</td>
<td>31.84-38.22</td>
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<tr>
<td>Training</td>
<td>VND$1,050,000/month maximum 3 months</td>
<td>66.88-200.64</td>
</tr>
<tr>
<td>Good Citizen Certification</td>
<td>VND $ 100,000</td>
<td>6.37</td>
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<tr>
<td>Passport</td>
<td>VND $ 200,000</td>
<td>12.74</td>
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<tr>
<td>Taiwan Visa</td>
<td>US$66/common</td>
<td>66.00</td>
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<td></td>
<td>US$99/emergency</td>
<td>99.00</td>
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<tr>
<td>Air fare</td>
<td>VND$4,700,000-5,000,000</td>
<td>300.00-318.47</td>
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<tr>
<td>Departure fees</td>
<td>US$14.00</td>
<td>14.00</td>
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<td>Sub total</td>
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<td>596.83-755.44</td>
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<td>Income Tax by Taiwan government</td>
<td>NT$1,320(month)</td>
<td>40.00</td>
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<tr>
<td></td>
<td>NT$15,840(year)</td>
<td>480.00</td>
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</tbody>
</table>


* Rate: US $1 : VND$15,700; NT$33
Diagram 3: Actual Recruitment Process and the Distribution of Profits, Taiwan Side

- **Taiwanese Government**
  - 9% stays in Taiwan
  - 26% go to Brokerage Firms

- **Brokerage Firms**
  - 26% go to Small Employers
  - 25% go to Large Employers

- **Small Employers**

- **Large Employers**

- **Vietnamese Government**

- **Bureau of Overseas Employment**

- **Government Operated Employment Agencies**

- **Vietnamese Workers**

About 60% stays in Taiwan.