

The Management of Foreign Workers in Taiwan

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1. INTRODUCTION

1.1 Application for and Distribution of Foreign Workers

The Council of Labor Affairs (CLA), which is a branch of the Executive Yuan in Taiwan, has total responsibility for the admission into the island and the subsequent management of foreign workers, as stipulated within the Employment Service Act 1992, with such workers essentially comprising of white-collar or blue-collar workers. The Bureau of Vocational Training (BVT), one of the organizations within the CLA, was designated as the agency with official responsibility for handling all matters relating to foreign workers. The following sections outline the various functions of the BVT.

1.2 Procedures for Applying for Foreign Workers

An employer who wishes to hire foreign workers must first apply to the CLA and receive permission for the importation of such workers. Once employers have the requisite authority, they may either recruit such workers directly within a labor-sending country, or contact the government of the labor-sending country and ask them to recruit the requisite number of workers on their behalf. In reality, however, most employers in Taiwan recruit their foreign workers through job brokers who contact the government of the labor-sending country to arrange for the recruitment of the number of workers required on their behalf. Employers usually do not need to pay service fees to these job brokers; indeed, it is often the case that such job brokers will pay the employers a commission fee in order to induce them to provide the brokerage firm with business opportunities.

Thus, when employers wish to hire foreign workers from the Philippines, for example, they, or their job brokers, would contact the Philippines Overseas Employment Administration (POEA) in Manila and submit the necessary information to the Manila Economic and Cultural Office - Labor Center (MLC) in Taiwan. Such information would include a brief company profile, the age, gender and number of workers required, a copy of the FW employment contracts, a copy of the approval document issued by the CLA, the qualifications required of the foreign workers (such as skills levels), and the date that the foreign workers would be required. The MLC would then forward the documents to the POEA for review.

The POEA would subsequently inform the employer, through the MLC, of the acceptance of the employer's recruitment terms, or would instigate negotiations for a new agreement. The employer would then have to inform the MLC of the acceptance of the terms and conditions of the recruitment agreement, and pay the requisite service fee of NT\$1,230. Thereafter, the POEA would arrange for interviews to be conducted by the employers with their prospective applicants. Once the workers were selected, the POEA would then arrange the flight schedules and deployment of the hired workers to Taiwan.

In addition to the BVT, the CLA has also established counseling centers in various locations throughout Taiwan which are responsible for assisting foreign workers through the provision of legal assistance and the handling of grievances relating to the fair treatment or working conditions of the foreign workers. These counseling centers hire bilingual staff to provide assistance to those foreign workers who do not speak Chinese. Local governments throughout the island are also responsible for dealing with problems relating to foreign workers within their jurisdiction.

Foreign workers in Taiwan are generally imported from five Southeast Asian countries, Thailand, the Philippines, Indonesia, Malaysia and Vietnam (Table 1). Foreign workers are imported from these countries essentially because Taiwanese investors have a considerable amount of foreign direct investment (FDI) in these countries, and also because the governments of these countries have signed bilateral agreements with Taiwan with regard to the recruitment and utilization of foreign workers from their countries.

Table 1 Foreign worker sources

Foreign Worker Sources	Number of Foreign Workers in Taiwan					
	1998	2000	2002	2004	2005	2006 Nov
Thailand	133,367	142,665	111,538	105,281	98,322	93,340
Philippines	114,255	98,161	69,426	91,150	95,703	91,442
Indonesia	22,058	77,830	93,212	27,281	49,049	82,191
Vietnam	–	7,746	29,473	90,241	84,185	71,021
Malaysia	940	113	35	22	13	12
Mongolia	–	–	–	59	79	81
Totals	270,620	326,515	303,684	300,150	327,396	322,771

Source: CLA (2007), <http://www.evta.gov.tw/stat/9512/index.htm>.

1.3 Distribution of Foreign Workers

Foreign workers in Taiwan can be categorized into three groups: government construction project workers, manufacturing industry workers (labor-intensive industries in particular) and healthcare service workers (Table 2). Ever since the inception of the foreign workers program in 1992, close to a fifth of all work undertaken by such workers has been on government construction projects; the only exceptions were 2002 and 2005, when most of the projects had been completed and new projects were awaiting approval. However, the greatest proportion of foreign workers is accounted for by the manufacturing sector, the electronic components and accessories, textile products, metal products, computers, communication and video equipment, and electrical equipment and apparatus industries in particular (Table 3).

Nevertheless, the total numbers of workers within these industries, as well as the share of total foreign workers in Taiwan, has been declining ever since the mid-1990s, while both the number and the share of such workers in the healthcare service sector has seen a rapid and continuous rise. By 2006, 44.6 per cent of foreign workers in Taiwan were to be found in the healthcare service sector, with such a rapid rise in foreign healthcare workers over recent years having been partly due to the rapidly aging population, but also to the rising labor force participation rates amongst women in Taiwan; as a result, there has been a growing need for additional helpers to take care of disabled or senior family members both in homes and institutions.

For many years, an understanding existed between the government and the unions in Taiwan that the number of foreign workers imported into the island should not exceed 300,000; however, the rapid rise in the number of foreign healthcare workers has cut deeply into the share of foreign workers in the manufacturing sector. In 2006, after many years of complaints by employers within the labor-intensive industries, as well as threats to relocate their production facilities to mainland China, the government finally divided foreign workers into two broad categories, production workers and service workers. The government then reinterpreted its promise of no more than 300,000 foreign workers to be imported for employment within the manufacturing sector, whilst all healthcare service workers were explicitly excluded from this overall quota. In January 2006, the government also gave the green light to the importation of an additional 20,000 overseas production workers for employment within the category of ‘dirty, dangerous and difficult’ (3D) jobs, those jobs that had become difficult to fill with native workers.

Table 2 Distribution of foreign workers, by admission categories, 1995-2006

Admission Categories	1995		1997		1999		2001		2003		2006	
	Total No.	%	Total No.	%	Total No.	%	Total No.	%	Total No.	%	Total No.	%
Major government construction projects	46,968	18.74	45,863	18.46	48,253	17.30	29,619	10.08	12,747	4.25	6,007	1.78
6 Industries and 15 Occupations	5,221	2.08	5,861	2.36	4,323	1.55	208	0.07	71	0.02	54	0.02
Guardians in private homes or institutions	16,472	6.57	20,980	8.45	52,213	18.72	103,780	35.32	115,724	38.56	150,764	44.60
Household maids	15,072	6.01	14,237	5.73	9,495	3.40	9,154	3.12	4,874	1.62	2,406	0.71
Crewmen	1,541	0.61	1,265	0.51	999	0.36	1,249	0.43	3,396	1.13	3,243	0.96
68 Manufacturing industries	19,243	7.68	14,227	5.73	15,178	5.44	2,292	0.78	387	0.13	153	0.05
73 Manufacturing industries	26,351	10.52	23,241	9.36	3,034	1.09	207	0.07	158	0.05	143	0.04
6 Ceramics industries	24,467	9.76	23,446	9.44	5,334	1.91	192	0.07	135	0.04	110	0.03
New plants, or expanding production facilities	35,263	14.07	39,233	15.79	18,451	6.62	459	0.16	193	0.06	158	0.05
Export processing zones and science-based industrial parks	4,312	1.72	4,010	1.61	1,015	0.36	212	0.07	18	0.01	6	0.00
3D Jobs	20,202	8.06	4,900	1.97	571	0.20	51	0.02	50	0.02	1,780	0.53
Major manufacturing investment projects	29,325	11.70	30,551	12.30	54,269	19.46	50,520	17.19	47,226	15.73	37,215	11.01
Major construction investment projects	1,650	0.66	1,505	0.61	2,642	0.95	2,502	0.85	301	0.10	5,192	1.54
7 Manufacturing industries	4,488	1.79	4,407	1.77	432	0.15	17	0.01	14	0.00	9	0.00
Replaced manufacturing workers on completion of employment term	–	–	12,102	4.87	62,663	22.47	93,405	31.76	91,728	30.56	83,834	24.80
Non-high-tech manufacturing	–	–	–	–	–	–	–	–	22,206	7.40	43,439	12.85
High tech-manufacturing	–	–	–	–	–	–	–	–	922	0.31	3,528	1.04
Totals	250,575	100.00	248,396	100.00	278,872	100.00	293,867	100.00	300,150	100.00	338,041	100.00

Source: CLA (2007), <http://www.evta.gov.tw/stat/9512/index.htm>.

Table 3 Numbers of foreign workers in the top five manufacturing industries

	2003	2004	2005
Electronic components and accessories	25,360	30,123	33,635
Textile products	26,911	25,925	23,995
Metal products	17,175	17,658	17,895
Computers, communication and video equipment	14,717	14,117	12,935
Electrical equipment and apparatus	11,058	11,162	10,487
Others	66,818	68,709	67,981
Totals	162,039	167,694	166,928

Source: CLA, <http://www.evta.gov.tw/stat/9512/index.htm>

2. THE MANAGEMENT OF FOREIGN WORKERS

2.1 Housing Arrangements

Foreign workers are naturally unfamiliar with Taiwan's local environment, with the vast majority of them also being unable to speak Chinese; it is therefore important for them to have housing facilities arranged for them prior to their arrival in Taiwan. In fact, virtually all employers engaging foreign workers in Taiwan will undertake the necessary housing arrangements for their foreign workers; indeed, it is reported that only 3.05 per cent of employers fail to do so (CLA, 2006).

The housing arrangements include purpose-built dormitories (38.84 per cent), rented dormitories in nearby areas (12.8 per cent) and the reassigning of rooms to foreign workers in dormitories previously used exclusively by native workers (43.9 per cent). Only 0.35 per cent of employers requested their foreign workers to make their own housing arrangements. Most employers who provide housing for their foreign workers also provide them with their meals, but they then deduct these expenses from the workers' pay. In 2005, more than a third (38 per cent) of all employers were deducting an average of NT\$2,233 per month from their workers' pay for room and board expenses. The amount of such deductions was higher for foreign workers employed within the manufacturing industries than for those employed within the construction industry (CLA, 2006: 10).

2.2 Wages, Benefits and Working Hours for Foreign Workers

One issue which is constantly being raised by company directors is the wish to exclude foreign workers from the protection of the minimum wage law, essentially because by paying the minimum wage to such workers, this makes the cost of hiring these workers much higher for employers in Taiwan than for employers in any other Asian countries, including Hong Kong and Singapore, where such workers do not enjoy such legal protection. Thus far, the CLA has refused to exclude such workers from the coverage of the minimum wage law; there is, however, no doubt that this issue will be raised once again in the next legislative session.

Since foreign workers are protected by the same minimum wage law as native workers, the pay scales between these two groups of workers are very close. As Table 4 shows, in June 2005, the average monthly wage for a foreign worker was NT\$21,507, which was 85.96 per cent of the average wage for a native, unskilled and inexperienced worker. However, since foreign workers work far more overtime hours than native workers, any comparison should be undertaken on the basis of the regular wage as opposed to the total wage. As Table 4 shows, the regular wage rate for foreign workers was 85 per cent of that for native workers; thus, one could argue that foreign workers have not been exploited by employers in Taiwan.

Table 4 Foreign worker wages, 1993-2005

Year		Average Monthly Wage (NT\$/month)			Regular Wage (NT\$/month)		
		Total	Manufacturing	Construction	Total	Manufacturing	Construction
1993	Average Wage ^a	17,603 (533.4)	17,525 (532.2)	19,565 (592.9)	14,100 (427.2)	14,079 (426.6)	14,268 (432.4)
	FW/NW (%) ^b	84.83	88.22	75.50	75.50	80.70	58.80
1995	Average Wage	19,530	19,529	19,533	15,487	15,410	15,736
	FW/NW (%)	88.80	90.70	75.00	80.12	83.30	63.90
1997	Average Wage	20,892	20,963	20,662	16,059	16,167	15,710
	FW/NW (%)	96.00	96.90	80.80	84.00	86.90	65.00
1999	Average Wage	20,919	21,006	20,645	16,507	16,542	16,395
	FW/NW (%)	95.3	95.0	76.9	85.1	87.4	65.0
2001	Average Wage	19,502	19,496	19,743	16,353	16,435	16,315
	FW/NW (%)	79.0	80.4	72.0	73.6	76.0	62.1
2002	Average Wage	20,536	20,561	20,385	16,353	16,332	16,478
	FW/NW (%)	82.8	83.9	84.1	73.9	75.8	71.9
2005 (Jun)	Average Wage	21,507	21,577	20,504	16,525	16,506	16,797
	FW/NW (%)	–	–	–	86.0	87.4	79.3

Notes:

^a Figures in parentheses refer to US\$ equivalent.

^b FW/NW refers to average monthly wage for foreign workers/average monthly wage for low-skilled inexperienced native workers x 100.

Source: CLA (2007), <http://www.evta.gov.tw/stat/9512/index.htm>

Approximately one half of all establishments employing foreign workers in Taiwan pay their workers by means of bank transfers into their employees' accounts; in all other establishments, the foreign workers are paid in cash. In general, the larger the establishment, the greater the probability of payment by bank transfer into an employee's account. In 2005, a third of all establishments with less than 30 employees transferred foreign workers' wages to their bank accounts; in those establishments with more than 500 employees, this practice was as high as 96 per cent (CLA, 2006). However, it would seem likely that foreign workers would invariably prefer to have their pay transferred directly into their bank accounts, as it is likely that they would have no way of keeping cash securely in their dormitories.

Industrial accident insurance and health insurance are also of importance to foreign workers, given that such workers are employed in a foreign country; if they were to suffer an accident or to become ill, they would not be covered by their homeland industrial or health insurance. According to the CLA's biannual survey of the working conditions of foreign workers, in 2005, almost all (99 per cent) of the establishments in which foreign workers were employed did subscribe to both labor and health insurance for their workers, with 30 per cent of these employers (mainly in the construction industry) also subscribing to additional accident insurance for such workers (CLA, 2006).

It is well recognized that foreign workers put in far more overtime hours than native workers. In 2005, workers in the manufacturing industries put in an average of 44 hours of overtime each month, which was 2.5 times that of native workers; foreign workers in the construction industry also put in an average of 41 hours overtime per month, although in their case this represented five times as much as the overtime undertaken by native workers (Table 5).

2.3 Training of Foreign workers

It is generally the case that most of the foreign workers are first-generation factory workers; as such, they are unfamiliar with factory discipline and working arrangements. Although most of their jobs are unskilled, there is still a requirement for certain basic knowledge and skills; thus, it is important for

employers to provide foreign workers with initial orientation training in order to avoid any serious adjustment problems for such workers. It is therefore of interest to determine whether employers in Taiwan have provided such orientation training for their-newly recruited foreign workers, and if so, what type of training they have provided.

Table 5 Working hours for foreign workers, 1993-2005

Year	Hours per Month	Average Working Hours		Regular Working Hours		Overtime Hours	
		Manufacturing	Construction	Manufacturing	Construction	Manufacturing	Construction
1993	FW hrs ^a	239.2	242.2	201.1	201.7	38.2	40.5
	FH/NH ^b	1.18	1.27	1.07	1.08	2.73	8.44
1995	FW hrs	246.6	245.0	209.9	210.2	36.7	34.8
	FH/NH	1.22	1.26	1.13	1.12	2.37	4.52
1997	FW hrs	244.8	257.3	204.1	208.3	40.7	49.1
	FH/NH	1.21	1.34	1.10	1.13	2.50	6.06
1999	FW hrs	241.0	261.4	203.4	218.6	37.6	42.9
	FH/NH	1.21	1.41	1.11	1.23	2.27	6.04
2001	FW hrs	224.8	233.9	196.5	199.8	28.3	34.1
	FH/NH	1.22	1.29	1.15	1.15	2.02	4.67
2002	FW hrs	232.0	232.0	189.7	190.7	42.4	41.8
	FH/NH	1.24	1.32	1.10	1.12	2.68	6.33
2005 (Jun)	FW hrs	231.2	219.5	184.6	178.5	44.6	41.0
	FH/NH	1.18	1.26	1.05	1.09	2.42	5.61

Notes:

^a FW hrs refers to foreign workers' hours;

^b FH/NH refers to working hours for foreign workers/working hours for native workers

Source: CLA (2005).

From the data currently available, we can determine that 80 per cent of all establishments in Taiwan employing foreign workers have indeed offered some form of training to their newly-recruited foreign workers. More than half (56 per cent) of such training is generally related to job safety, with 28 per cent of the employers providing their newly-recruited workers with an employees handbook for them to study, written in their own language. In 7 per cent of the establishments, the newly-recruited foreign workers are also shown video tapes introducing them to the company, and to the company's operational procedures, as well as being provided with other useful information.

In general, much more attention is paid to orientation training by employers within the construction industry than by those within the manufacturing industries. In 2005, for example, 81 per cent of all employers within the construction industry had provided safety training for their foreign workers, whereas only 57 per cent of the employers in the manufacturing industries had provided similar training; in general, the larger the establishment, the higher the proportion of employers who had provided such safety training. For example, 78 per cent of the establishments within the construction industry with less than 30 workers had provided safety training for their foreign workers, whilst in the same industry every establishment with more than 300 employees had provided the necessary safety training for all of their foreign workers. A similar picture exists within the manufacturing industries, with 48 per cent of employers in establishments with less than 30 workers having offered safety training to their foreign workers, whilst 89 per cent of all employers in establishments with more than 300 workers had offered such training to their overseas workers.

Judging from the content of these training courses, they are mainly oriented towards safety training, with hardly any of the courses focusing on production knowledge or skills training. Thus, providing foreign workers with some basic training in factory and construction work prior to their arrival in Taiwan, and once they have taken on their roles in the various establishments, is of significant importance with regard to ensuring the proper safety and satisfactory performance of the foreign workers.

2.4 Recreational Facilities and Recreational Activities

It is stipulated that foreign workers are not allowed to bring their families with them to Taiwan; therefore, special assistance is necessary in order to ensure that such workers are able to obtain the right kinds of food and enjoy appropriate recreational activities. According to a survey undertaken by the CLA in 2005, in three-quarters of all establishments in Taiwan where foreign workers were employed, the company had also ensured the provision of some form of recreational facilities or activities for such workers.

In terms of the specific types of recreational activities provided to these workers, as Figure 1 shows, approximately one fifth of all establishments had established recreational centers for the overseas workers, where they were provided with movies, games rooms and various types of sports facilities. In 18 per cent of the establishments, special arrangements had been made for holiday activities for these workers, and 4.8 per cent has set up religious facilities to enable their foreign workers to observe their religions on their respective holy days and during other relevant religious festival periods.

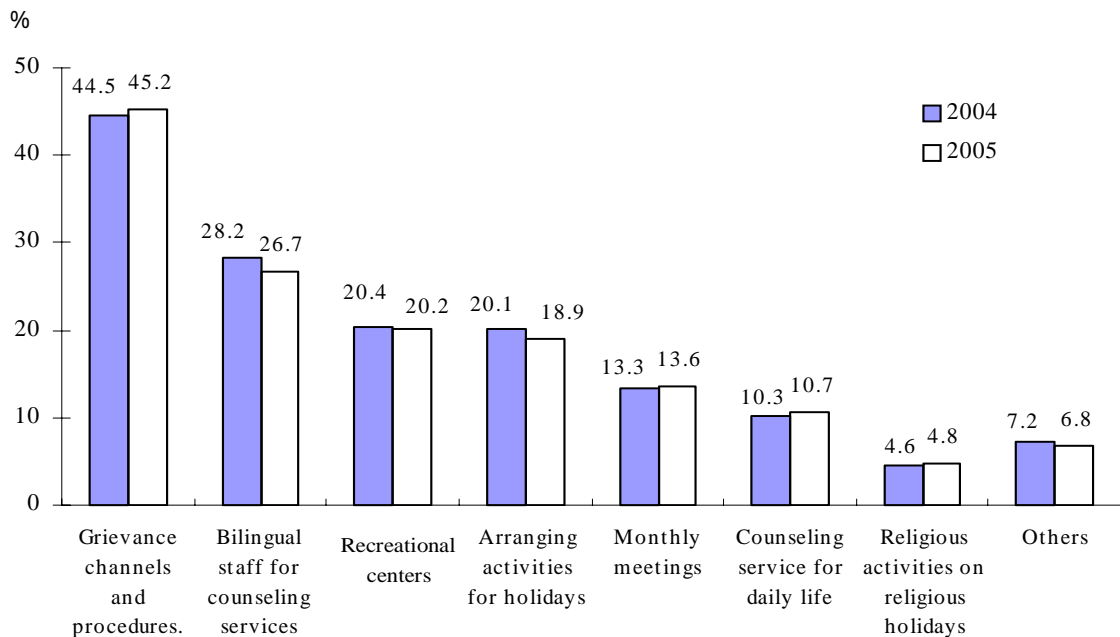


Figure 1 Recreational facilities offered to foreign workers

2.5 Communication Channels and Grievance Procedures

Since the majority of foreign workers are unable to speak Chinese, it is therefore extremely important for employers to set up appropriate communication channels and grievance procedures for such workers so that they are able to communicate their needs to their employers and also have their grievances properly addressed in a timely manner.

The data currently available shows that in 2005, in about 13 per cent of all establishments in Taiwan where foreign workers were employed, the companies had also set up monthly meetings with their workers so that they were able to communicate their concerns to their employers, and about 45 per cent of these establishments had also set up channels for their foreign workers to effectively bring their grievances to their employer's attention, thereby ensuring that such grievances were properly addressed. Slightly over a quarter (26%) of the establishments also had specialist bilingual staff on hand to help their foreign workers deal with their daily problems.

3. ISSUES ARISING IN THE MANAGEMENT OF FOREIGN WORKERS

3.1 Missing workers

One of the more unique problems involved in the management of foreign workers in Taiwan is that of 'missing workers'. According to the 1992 Employment Service Act, when foreign workers are granted a permit to work in Taiwan, they are required to stay with the same employer until their employment contract expires, after which they are immediately required to leave Taiwan. There are, however, increasing numbers of foreign workers in Taiwan who choose to change their employers in the midst of their employment contract, or close to the completion of the contract. Their main aims may be to change jobs because they want to receive higher pay, to enjoy better working conditions or to transfer to workplaces close to where more of their fellow countrymen are located (most of these workers are located in the healthcare sector). Some foreign workers may wish to change their employers because their current employment contract is about to expire; by going to work for another employer in the 'underground' labor market, as long as they are not apprehended by the police, they can continue to work in Taiwan (Table 6).

Table 6 *Reasons for changing employers, June 2005*

Reasons for Changing Employers	% *
1. Encouraged by fellow countrymen	46.05
2. Expiration of employment contract	36.93
3. Seeking higher wages	20.84
4. Unable to adopt to the current working and living conditions	13.24
5. Homesick	7.70
6. Reassigned by job broker	2.06
7. Unable to get along with native workers	2.06
8. Others	21.68

Note: * Multiple answers were permissible; thus, the total is greater than 100%.

Those workers who do transfer to other employers without the prior approval of the government are immediately classified as 'illegal' workers; and indeed, once they are apprehended, they will be immediately deported. The available data shows that in 2001, a total of 5,089 foreign workers (1.58 per cent of the total number of foreign workers in Taiwan) had become missing workers (Table 7); however, by 2005, this figure had risen significantly, to 12,938 workers (4.16 per cent of all foreign workers in Taiwan). The missing rates are particularly high amongst Indonesia and Vietnamese workers. Amongst the former, this is essentially because there are extremely large numbers of Indonesian workers employed within the healthcare sector. Given that they are employed in private households, such workers can become very lonely; thus, they may have a desire to move to communities where there are more of their fellow countrymen.

The inordinately high missing rate amongst Vietnamese workers is essentially caused by the large number of Vietnamese spouses in Taiwan; these spouses are able to provide refuge for other foreign workers within their own homes and can also help them to find alternative jobs. The missing

rates are also affected by the size of the establishment; in general, the larger the establishment, the higher the missing rate. In 2005, for example, the average missing rate in those establishments with less than ten workers was 13 per cent, whilst the missing rate for those establishments with 100-299 workers was about 25 per cent. In establishments with 300 or more employees, the missing rate was as high as 43 per cent (CLA, 2006).

Table 7 *Missing foreign workers, by country of origin*

Country of Origin	Missing Workers	2001	2002	2003	2004	2005
Indonesia	Total No.	2,804	3,809	3,411	1,978	1,973
	Missing Rate (%)	3.21	3.99	4.62	4.92	6.65
Philippines	Total No.	1,048	643	873	1,177	1,543
	Missing Rate (%)	1.22	0.93	1.17	1.35	1.65
Thailand	Total No.	942	1,042	1,171	1,369	2,040
	Missing Rate (%)	0.68	0.86	1.09	1.32	2.10
Vietnam	Total No.	293	1,584	4,233	7,536	7,363
	Missing Rate (%)	2.75	7.79	9.63	10.16	8.17
Mongolia	Total No.	–	–	–	2	19
	Missing Rate (%)	–	–	–	3.65	24.08
Totals	Total No.	5,089	7,079	9,688	12,062	12,938
	Missing Rate (%)	1.58	2.31	3.23	3.96	4.16
No. of missing workers still at large		6,220	8,143	11,125	16,593	21,679

Note: * Missing rate = number of missing workers ÷ number of foreign workers in Taiwan × 100.

3.2 Differences in Language, Habits and Sanitation Standards

Although close to half of all employers of foreign workers in Taiwan have reported that they have no problems in the management of such workers, there are other employers who have encountered several problems, with 50 per cent of employers in the manufacturing industries and 79 per cent of employers in the construction industry having encountered some difficulties. The most common type of difficulty is with regard to communicating with their foreign workers, since, as noted earlier, they are invariably unable to speak Chinese. In the larger establishments, where foreign workers from several different countries may be employed, the communication problem becomes even more complicated. Indeed, of all establishments within which foreign workers were employed, a third (35.6 per cent) of those in the manufacturing industries and two-thirds (66.78 per cent) of those in the construction industry had encountered some difficulties with regard to communicating with such employees.

Another difficulty is that of dealing with the various forms of behavior or habits of different foreign workers, given the fact that they are born and raised in different cultures and environments to those of the native workers with whom they work alongside. A CLA survey showed that 16 per cent of employers in the manufacturing industries had difficulties dealing with the different habits and living styles of their foreign workers, whilst 33 per cent of employers in the construction industry also had similar difficulties. A further management difficulty is the problem of sanitation. It is obvious that some of the foreign workers come from the very poorest areas of the labor-sending countries, and they may therefore have very different sanitation standards to those of the native workers in Taiwan; this may prove to be particularly offensive to those with whom they work alongside. Furthermore, since the particular habits and sanitation standards of some of the foreign workers are formed during the earliest years of their childhood, it is, of course, difficult for them to change such habits or standards overnight.

Nevertheless, it is rather fortunate that foreign and native workers do seem to get along very well in Taiwan, and that in most cases, they are able to work side by side with no real problems. In 2005, less than 2 per cent of all establishments employing foreign workers reported having difficulties in assigning native workers to work alongside their foreign workers, or vice versa.

3.3 Excessive Brokerage Fees and Unqualified Brokerage Firms

Most of the foreign workers in Taiwan were recruited through employment agencies who charged very high brokerage fees for their services; indeed, in some cases, these fees were as high as nine months to one year of a foreign worker's annual wages. In 2003, in order to tackle this problem of excessive brokerage fees and to seek to reduce the overall number of missing workers, the CLA amended the 'Employment Service Act' so that it had the right to closely supervise the operation of these employment agencies.

The CLA issued an order preventing brokerage firms from charging foreign workers any commission fees, although they would be allowed to charge a standardized service fee, which was set at NT\$ 1,800 for the first year, NT\$1,700 for the second year, and NT\$1,500 for the third year. It has recommended that brokerage firms in the labor-sending countries should not charge commission fees in excess of one month of the Taiwan minimum wage rate (currently NT\$ 15,840). The new law also prohibits employers from collecting commission fees from the brokerage firms, with any employer having been found to have accepted such commission fees being liable to have his right to hire foreign workers revoked. The CLA has also negotiated with governments of several labor-sending countries such as the Philippines, Thailand, Vietnam and Mongolia, to implement direct hiring programs. In accordance with these agreements, employers in Taiwan have the option to hire workers directly from labor-sending countries through their embassies in Taiwan, bypassing entirely the employment agencies in both the labor-sending and labor-receiving countries. It is hoped that through such direct hiring, the problem of excessive brokerage fees can be totally eliminated (CLA Newsletter, August 2004).

However, such programs have not been successful, essentially because, for reasons of convenience, employers continue to hire their foreign workers through the private brokerage firms. Therefore, in 2007, the CLA has now turned its attention to the removal of dishonest and unqualified brokerage firms through the amendment, in January 2007, of the 'Establishment and Management of Private Employment Agencies Act', which stipulates that all brokerage firms will be evaluated periodically, and that the results will place them into one of three classes, A, B or C. Any firm ranked in category C must improve its performance within a given period. Any firm failing to achieve satisfactory improvement and upgrade its rank to category B within such a period will be disqualified and will no longer be able to offer such services.

The professional staff within these qualified brokerage firms must be licensed, and they must renew their license every four years. The list of qualified brokerage firms will be posted on the CLA website, so that citizens can check the qualifications of these brokerage firms. The new law also specifies that all those employing 30 to 100 foreign workers must have one full-time bilingual staff member to handle their problems, and one more full-time bilingual staff member for every additional 100 foreign workers.

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