Neo-Centrist Labour Policy in Practice: The DPP and Taiwanese Working Class

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Introduction

In September 2003, the National Federation of Bank’s Employees Unions (全國銀行員工會聯合會) held a ceremony to celebrate its 10th anniversary. President Chen Shui-bian was invited as an honoured guest to give the opening speech. Chen mentioned that he had known the union movement leaders since 1988. That was only a year after the draconian martial law had been lifted, and most of the banks were controlled by the KMT government; unionisation was strictly taboo. Chen, just released from the jail, was serving as his wife’s legislative assistant. Chen offered his legal advice to the would-be union leaders, initiating a long-term alliance.1

In 1994, the National Federation of Bank’s Employees Unions had been founded, but the KMT government had refused to grant it official status. A protracted legal battle was waged by the militant bank workers until 2001, when the DPP came into power and recognised it as a legal entity.2

However, the 10th anniversary party was not merely a joyful reunion of comrades, but also a political occasion which bank workers sought to utilise in order to resist the harmful effects of financial liberalisation. This was because once in power, the DPP government stepped up the de-regulation drive to accomplish corporate mergers more easily. Many workers became redundant and were summarily laid off, while those who kept their positions were subject to more exacting labour conditions. The National Federation of Bank’s Employees Unions provided a powerful critique of reckless liberalisation that fattened the purse of financial tycoons at the expense of average consumers and workers.3 In his guest speech, Chen defended his policy by stressing the imperative of restoring financial health, but at the same time he acknowledged that workers’ interests should not be sacrificed. He suggested that bank management should negotiate with unions and the government should offer training as well as job referral services to laid-off workers.

This episode encapsulated the multifarious relationships between the DPP government and Taiwan’s working class. During its time in opposition, the DPP had sought to align with various social movement sectors in order to present a common front in the challenge against KMT authoritarianism. In the late 1980s, in the first wave of workers’ organisation and strike actions, the DPP had attempted to recruit the

1 National Federation of Banks’ Employees Union, Gōngyúng yōushoung jítā leǐ: 1.
3 Hsia, Chuan-wei, Tėiyōng de wánzuò.
was a class-based political party. As the DPP grew more politically consolidated in the 1990s, its national legislators provided a vital leverage for workers to resist the KMT's effort to strip away labour protection, while local DPP elected officials offered more favourable legal interpretations to organised labour. This, of course, did not mean that the DPP was a class-based political party. Being a nascent opposition party, the DPP could not offer its promises to every sector that was dissatisfied with the KMT's rule. And prior to its accession to power in 2000, the DPP mirrored its archrival the KMT in its efforts to secure these gains. The pivotal question here is what happens to the Taiwanese working class when a more labour-friendly party takes power. Before 2000, labour's demands were persistently frustrated by the pro-business KMT, but did the regime shift present an opportunity for the DPP to pursue progressive labour politics? The DPP's incessant growth, itself was a living testimony to Taiwan's democratisation. Nonetheless, did political democratisation entail social democratisation to the extent that the pre-existing class inequalities were redressed by political means? This chapter provides a highly qualified affirmation to these questions. Here the term labour movement means the ensemble of political activities undertaken by labour unions and labour movement organisations. These groups tend to act and speak in the name of Taiwan's working class and aim to increase the resources and power of the latter. For the sake of brevity, the term 'labour' connotes the unionised sector of Taiwan's workers whose organisations enable them to act as a political force.

During Chen's first presidential term (2000–2004), many labour law reforms had been put into practice. Taiwan's labour had been agitating for unemployment insurance, protection from massive layoffs, gender equality and protection for the occupationally injured throughout the 1990s. Under the DPP government, labour was able to realise these demands. However, when it came to the more divisive issues such as the financial liberalisation mentioned above, the DPP was less willing to take labour's side. Issues such as working hours, privatisation, and labour pensions were more redistributive in nature, and business continued to wield more political influence. Consequently, labour failed to obtain more policy gains beyond legal reforms after the power transfer. In Chen's first presidential campaign (1999–2000), he borrowed and used the term 'neo-centrism', or 'new middle way' (新中間路綫) after a meeting with Anthony Giddens in the United Kingdom, using this term to characterise his policy on the independence-versus-unification issue. Though he did not phrase his labour policy in these terms, it turned out in hindsight to be an apt description. Compared to the KMT's traditional pro-business conservatism, the DPP government responded positively to labour's political demands, albeit within a tolerated limit.

This chapter is divided into the following sections. First, labour politics in the 1990s are introduced as a benchmark. Then the DPP government's labour law reforms are analysed. Special attention is paid to the question of how labour was able to secure these gains. The third section deals with the more controversial issues, especially working hours, privatisation and labour pensions, to show how the DPP itself is caught in the tug-of-war between capital and labour. The fourth section discusses the political aspects of this interaction. Business's counter-mobilisations and the KMT's strategy to pose as a champion of labour are put into context. In conclusion, the prospect for class politics in Taiwan is diagnosed.

The Lost Decade of the 1990s: Labour's Frustrated Legal Offensives

The 1990s had not been a fruitful decade for Taiwan's labour movement. Immediately after the democratic opening in the late 1980s, workers who had long been quiescent rose to demand a larger share of economic wealth and political rights. With the gradual installation of competitive electoral politics, it was anticipated that workers' militancy could break loose from the authoritarian legal edifice that continued to fragment and control labour. However, political liberalisation did not lead to labour law reform. In fact, the opposite scenario seemed to be closer to reality, at least in the early 1990s.

In that period, the KMT government sought to utilise a legalistic approach to contain workers' protest. The Employment Service Act (就業服務法) of 1992 was promulgated in order to facilitate and legalise contracting of foreign labourers. With the massive introduction of Southeast Asian workers, Taiwan's working class was deprived of one of the most important bargaining resources, labour shortage. At the same time, the KMT decided to respond to business' complaints that labour was 'over-protected.' In 1992, the Executive Yuan put forward a draft proposal to revise the Labour Standard Law (勞動基準法). The previous regulations on overtime, severance pay, night-time work, and female workers were all revised in the favour of business. To constrain collective actions by labour, the KMT proposed revising the Settlement of Labour Disputes Law (勞資爭議處理法). A 1990 draft aimed to further restrict the legal procedure and range of strikes. Finally, the KMT also attempted to destroy the organisational basis of the nascent labour movement by modifying the Labour Union Law (工會法). In 1990, a revision was proposed to make union membership "voluntary" so that management could easily dissuade individual workers from joining a pre-existing union. Accordingly, the KMT's policy in the early-1990s could be characterised as "restricting industrial citizenship" so as to discipline the unruly labour.

It would require another study to understand the reasons why the KMT government supported labour rights despite the political weakness of the working class during the authoritarian era. The Labour Standard Law was enacted in 1984 as a policy concession to the pressure of the United States and their protectionist workers who claimed that unprotected labour had contributed to Taiwan's growing exports
and consequently prevalent unemployment in the United States. Rights of unionisation and dispute were simply inherited from the legal system of KMT’s mainland period. Nevertheless, regardless of their origins, these labour rights were rarely practiced prior to the rise of workers’ rebellion in the late-1980s. Only when the insurgent workers began to claim their legal entitlements did the state and business attempt to revise these laws.

To meet these challenges from above, Taiwan’s labour movements coalesced to defend their lawful rights. As early as 1990, various factions worked together to present their ideal visions of how to counter the government initiatives. In November 1992, mass demonstrations were held in Taipei and Kaohsiung. To be sure, workers’ protests helped to prevent the downward revision of labour laws. Party thanks to support by the DPP, whose electoral success in late 1992 secured roughly one-third of parliamentary seats, labour succeeded in scuttling the KMT’s legal counteroffensives. The KMT government decided to withdraw the revision draft of Settlement of Labour Disputes Law in March 1993 and that of the Labour Union Law in May of the same year. As a labour activist commented, this signified no less than “a hard-won legislative victory for Taiwan’s workers.”

Though labour was able to defend its already-existing legal entitlements, it could not extend its victory to secure new ones. Politically speaking, Taiwan’s labour was strong enough to prevent its rights from being taken away, but still too weak to overhaul the authoritarian legal legacy. Two episodes in the mid-1990s demonstrate this predicament.

In 1994, as the KMT government sought to prepare a new system of national health insurance, the ratio of premiums paid by employers and employees also went through an adjustment. Previously employers had to pay eighty per cent while the employees paid twenty per cent; the newly proposed ratio was sixty per cent/forty percent. To fight against the increased burden, the Taiwan Labour Front (台灣勞工陣線), the most important labour movement organisation in Taiwan, led a nationwide slow-down (罷工) protest. Workers’ anger helped to persuade the KMT to adopt a new seventy/thirty formula. Later, during the Legislative Yuan review of the National Health Insurance Bill (全民健康保險法), labour movement organisations succeeded in further revising the premium ratio. The finalised version was seventy/twenty/ten, with the additional ten per cent to be shouldered by the government.

Another episode was related to the extension of the Labour Standard Law. Since its enactment in 1984, the Labour Standard Law only covered blue-collar workers, while the promise to extend coverage to the service sector had long been overdue. With the rise of the labour movement, the National Federation of Bank Employees Unions spearheaded a campaign for its broader application. In 1996, the KMT failed to redeem its pledge to revise the Labour Standard Law, and bank workers’ protests led to the resignation of Hsieh Shen-shan, the Chairperson of Council of Labour Affairs (勞工委員會主委). In the end, a compromise between government and labour was reached. Business was given the right to calculate working hours with more flexibility so that their labour costs could be lowered, while more than two million white-collar workers were newly included in the protection of the Labour Standard Law in 1996–1998.

These two cases showed the extent of labour’s meagre political clout vis-à-vis business. On the one hand, workers had to fight hard to secure their already-encoded rights; on the other hand, in order to obtain new rights, they had to make concessions in exchange. The pro-business bias of the KMT government persistently countered labour’s legislative gains despite the fact that democratisation empowered workers as individual voters.

### Labour’s Legal Gains under the DPP Government

In spite of constant frustrations, Taiwan’s labour movement continued to struggle for more substantial legal reforms. The following list summarises the policy demands that had been raised in the annual May Day workers’ demonstrations in the 1990s.

- (1) Recognising national-level federation of independent unions.
- (2) Promoting gender equality in employment.
- (3) Protecting workers against massive lay-offs.
- (4) Establishing unemployment insurance.
- (5) Protecting the occupationally injured.

Prior to the regime change in 2000, few of these demands were placed on the official agenda. But within Chen Shui-bian’s first term, most of them had been realised, though admittedly not every specific measure was satisfactory to labour activists.

First, concerning the national-level union’s federation, Taiwan’s independent movement had been deprived of a national representative because of the lingering state-corporatist legacy. The KMT government only recognised the national union of its own creation, Chinese Federation of Labour (CFL, 全國總工會). As might be expected, the CFL was traditionally a subsidiary of the KMT, which continued to provide its leadership, resources and most important of all, political patronage. In 1998, independent unions in Taiwan began to launch a campaign to establish an alternative national federation, the Taiwan Confederation of Trade Unions (TCTU, 全國產業總工會). The TCTU project was persistently frustrated by the KMT officials. In May 2000, Chen Shui-bian, then President-elect, took part in the official founding ceremony of the TCTU, and he promised to grant it legal status.

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8 United Daily News, Sung yi lun dasu shang ma zhan le.
11 Taiwan Labor Front, Renmin dafa-ren dao gong jiantaiwan.
12 Taiwan Labor Front, Zipian qiushi yi shi.
14 Taiwan Labor Front, Junding gaiyi xiaoxian quanming gongmin zai xin zhi.
Four months later, the TCTU received its official permit and became a bona-fide national federation alongside the CFL. The legalisation of TCTU signified the collapse of the KMT's authoritarian control over unions' federation. With legal representation, labour unions achieved more latitude to organise their national representatives and speak to the central government officials directly. This reform not only eliminated the coercive state corporatism, but also enabled independent labour to gain national political influence. As the following analysis will show, the legal status of TCTU served as a critical leverage in engineering resolute. They claimed that 'overprotection' of female workers would lead to in-

decided to withdraw the draft in 1995 despite popular protests.16 As a result, the KMT government decided to withdraw the draft in 1995 despite popular protests.

In the late 1990s, feminist groups launched another campaign to demand gender equality.17 The KMT government put forth another draft version in 1999 as a re-

response. But the final passage of the Equal Employment Law (兩性工作平等法) was only possible in 2002. With this legal guarantee, sexual harassment and discrimination in the workplace would be punishable, and employers are obliged to provide internal bylaws to prevent them. In addition, parental leave, family leave, and feeding time were stipulated as workers' rights. In some cases, employers were required to provide child-care facilities for their employees. In sum, although feminist groups still found the existing measures less than satisfactory,18 the Equal Employment Law concluded the more-than-a-decade struggle and served as an important milestone.

Third, massive layoffs had caused serious social problems since the late 1990s. As Taiwan's labour-intensive industries were relocating to coastal China in an unprece-
dented exodus, many workers went to work only to find themselves suddenly unem-
ployed; usually their bosses refused to pay even outstanding wages and severance. Labour had been advocating legal approaches to regulate factory closures and to protect workers' rights prior to the regime shift. In 2003, the Protec-
tive Act for Mass Redundancy of Employees (大量解僱勞工保護法) became effective. This act made em-
ployers' prior negotiation with workers and their union representatives mandatory. If a company delayed in its payment of pensions, wages and severance, the chairperson of the board of directors could be banned from leaving Taiwan. On the other hand, this act also made it necessary for the government to subsidise laid-off workers in their

15 For more detailed analysis, see Ho, Breaking Laws from State Corporation.
16 Chang, Ching-lun, Taiwan de biaoyan yi yu gongzhi de xingbie zhengfa.
17 For more on the efforts by Taiwan's women's movements to promote gender equality, see Weng and Fell, The Rootless Movement, this volume.
18 For example, see Wu, Wei-ting, Laiming gongzhi pingtongzhi.
19 For more, see Wu, Wei-ting, and Ku, Yu-ling, Xielei de daijia.

Fourth, to meet the rising wave of unemployment, the KMT government had in 1999 established a temporary measure for unemployment benefits so that laid-off workers could receive limited emergency relief. However, labour was not entirely content with the 1999 measure. One of the main reasons was that the unemployment relief only applied to a limited number of workers whose labour insurance status was kept despite the termination of employment. These workers continued to pay labour insurance premiums in order to save their entitlements for health coverage. Labour movement organisations demanded that unemployment benefits should be set up as a separate insurance system and possess legally binding power, more than just an administrative decree.20 In 2002, under the DPP, the Employment Insurance Law (勞業保険法) was enacted. With this law, qualified laid-off workers were entitled to a benefit of sixty per cent of their wage for up to six months.

Last, Taiwan's labour movement organisations had been advocating more protection for occupationally injured workers since the mid-1990s. As early as 1997, a legislative draft was promoted in the Legislative Yuan, but without the KMT government's support it had been lying dormant since then. In 2001, the Protection for Workers Incurring Occupational Accidents Act (職業災害勞工保護法) was announced. According to this law, workers without the official labour insurance were covered as well. And it became much easier for workers to raise an occupational injury claim since employers now were obliged to produce flawless proof if they disputed it. As commented on by a labour activist, this law made "many revolutionary breakthroughs in existing institutions."21

To sum up, Chen Shui-bian's first term had been a harvesting season for labour law reforms whose goals had been initially raised in the late 1990s but were delayed because of the KMT's intransigence. But it would be a gross exaggeration to say that the DPP incumbents took the initiative to legislate these new institutions. More often than not, labour activists played the pivotal role in placing these reforms on the agenda. The difference of the DPP government and its predecessor lay in the fact the former provided a more hospitable environment for labour advocates.
As with other social movements, the power transfer gave labour additional institutional access to decision-making powers. For example, the Council of Labour Affairs under the DPP invited activists from Taiwan Labour Front to join its advisory committee, whereas before under the KMT the TLF activists tended to be viewed as troublemakers by the officials. Pai Cheng-hsien’s personal career could also serve as an example. Pai was a union movement veteran and was summarily dismissed by his boss for his union activities. He spent most of the 1990s fighting an eight-year-long litigation in order to recover his job. After the DPP came into power, he was successively appointed a member of the Advisory Committee for the Labour Standard Law (勞動標準法諮詢委員會) (July 2000), the Advisory Committee for the Council of Labour Affairs (勞委會諮詢委員會) (October 2000), the Committee for Promoting Social Welfare of the Executive Yuan (行政院社會福利推動委員會) (June 2001), the Supervisory Committee of Labour Pension (勞工退休基金監理委員會) and Review and Referral Committee of Labour Disputes (勞資爭議轉介審查小組) (January 2002). A labour activist such as Pai would never have had a chance to participate in these official channels in the KMT era.

Most important of all, the legalisation of the TCTU had endowed Taiwan’s workers with a valuable platform through which to raise their visibility within the political system. Especially during the Economic Development Advisory Conference (經濟發展諮詢會議) in 2001, the TCTU played a critical role in placing labour’s demands on the official agenda. The Economic Development Advisory Conference was convened by Chen Shui-bian in order to build a national consensus to brave the post-election transgression of the KMT and tide over the economic recession of 2000–2001. As a political tradition, representatives of business, government and scholars were present in that conference. But the DPP government made an untraditional move by inviting labour representatives. The TCTU’s participation was quite substantial from the very beginning. During the conference, the TCTU’s representatives worked closely with outside protestors to exert pressure on conservative business and bureaucrats. In the end, labour not only successfully stymied most of the attempts by business to deregulate the current labour regime, but also placed its demands in the joint conclusion. Issues such as unemployment benefits and occupational injury were accepted into the conference consensus, which later facilitated their final codification. After that setback, the DPP never again mentioned its original pledge to reduce working hours to 40 hours by 2004.

Privatisation of state-owned enterprises had been government policy since the late 1980s. The KMT government increasingly adopted a neo-liberal perspective so that these national industries were seen as a liability due to poor efficiency rather than an economic asset or social service. Privatisation in the mid-1990s gave rise to some scandals so that the public became aware of the KMT’s hidden crony capitalism. In addition, massive layoffs and worsening of labour conditions in some privatised companies also contributed to the rise of independent unionism among the state-owned enterprises. As workers in state enterprises felt their rice bowls were endangered, they became more alienated from the KMT and more willing to take part in the labour movement, whereas previously they tended to be loyal to the KMT because they had secure employment and pensions almost like civil servants.

In his campaign platform, Chen promised to reconsider the previous policy; but once in power, the DPP government proceeded to carry out privatisation even more aggressively than its predecessor. In the case of Chunghwa Telecom Company (中華電信), the official agenda of two-week revision, or a proposition in which 40-hour weeks alternated with 44-hour weeks. The opposition’s unexpected move did not come from its concern for working class, if there was any, but simply in order embarrass the DPP rookies in office. To calm the anger of business, the DPP made a belated attempt to go back to the original 44-hour formula. Organised workers rose to defend their windfall benefit, while the small and medium business in labour-intensive industries mobilised to curtail the extent of reform. In December 2000, after a series of lobbying and counter-lobbying moves, the DPP failed to persuade the Legislative Yuan to accept a compromise version. Thus, beginning in 2001, 42 hours per week became the official norm in Taiwan despite the reluctance of the DPP government. After this setback, the DPP never again mentioned its original pledge to reduce working hours to 40 hours by 2004.
Before 2000, the urgent need to reform labour pensions was already a consensus, though the direction of reform remained unspecified. After the DPP came into power, the officials hinted at their preference for commercial individual accounts which could guarantee every worker his/her share. But labour suspected that this scheme was too favourable to financial interests and at the same time allowed the government to evade its responsibility.29 After a series of bargaining sessions, a compromise was reached. The Labour Pension Act (勞工退休金條例) was enacted in 2004. A new government-managed pension fund was set up. In order to cover every worker, new penalties would apply if employers failed to pay the monthly pension contribution. As a concession, the government stipulated a lower pension tax rate for employers, and the minimum was six per cent instead of two-to-fifteen per cent in the old system. From the perspective of the average worker, the new pension was attractive for its universal coverage so that a worker would not be penalised for changing jobs. For labour advocates, however, the new system simply failed to reverse the preexisting welfare stratification since it only warranted an income replacement rate of fourteen to twenty-four per cent, still much below the privileged government employees.30

These controversies vividly depicted the extent to which labour was still restrained in demanding substantial reforms that could have the effect of redistributing resources from the privileged to the less-privileged. Once in power, the DPP was either shifting to a more conservative stand (in the cases of working hours and privatisation), or simply lacked the will to upset the status-quo (in the case of pension reform). In spite of the DPP’s political rhetoric of reform, the structural features of Taiwanese class society remained intact and workers continued to play a subordinate role.

**Business’s Counteroffensives and the KMT’s Opportunism**

There is one reason that explains why the DPP incumbents were willing to undertake procedural reforms while balking at the more substantial ones. The DPP government was much weaker than its predecessor. During Chen’s first term, the opposition KMT controlled the Legislative Yuan and often frustrated initiatives from the executive branch. Without the necessary state autonomy, the DPP government was vulnerable to external influences. While labour was capable of pushing through the desired legal reforms, business was also rewarded with a better bargaining position vis-à-vis the government. This section analyses the political dimension of class mobilisation, especially how business launched their counteroffensives and how the KMT adopted an opportunistic strategy to exploit the now more visible class antagonism.

Taiwan’s business had been highly critical of labour laws since the labour movement arose in the late-1980s. There were persistent demands to dismantle the Labour Standard Law altogether because business insisted it dampened investment incentives. However, after the DPP assumed the ruling position, its political weakness
became a valuable opportunity for business to launch a series of counteroffensives. During the 2001 Economic Development Advisory Conference, business representatives raised a list of demands. They were revising the Labour Standard Law, abolishing the minimal wage, and enlarging the quota of foreign workers. If realised, these would have had a tremendously negative impact on the average worker. Labour representatives fought hard to neutralise these assaults. In the end, there were two relatively minor concessions that business acquired. First, it was agreed that the formula for calculation of foreign labourers' wages would be modified. Second, labour market measures for flexibility such as legalising night shifts for female workers and calculating working hours with different methods were also accepted. These changes helped business to pay less for its labour outlay. However, compared to the gains that labour obtained in the Economic Development Advisory Conference, it was still a good deal for labour.

Thanks to the TCTU's insistence, business did not score a major victory in deregulating the current labour law regime. After the 2001 Conference, business leaders continued to adopt a two-pronged strategy. First there were occasional ambushes to promote their agenda. For example, in July 2003, pro-business legislators proposed that the planned free-trade ports should be exempt from minimal wage requirements. Second, business sought to advance their interests in other arenas. Concerning environmental laws, there were visible trends to dilute the hitherto regulatory institutions. In 2001, environmental impact assessment and wastewater control were revised to the benefit of business. Business also conducted successful lobbying for lowering taxes. Social movement activists claimed that the DPP government not only continued to reward corporate investors with tax exemptions, but also offered even lower taxes. During the 2001 Economic Development Advisory Conference, business representatives fought hard to neutralise these assaults. In the end, there were two relatively minor concessions that business acquired. First, it was agreed that the formula for calculation of foreign labourers' wages would be modified. Second, labour market measures for flexibility such as legalising night shifts for female workers and calculating working hours with different methods were also accepted. These changes helped business to pay less for its labour outlay. However, compared to the gains that labour obtained in the Economic Development Advisory Conference, it was still a good deal for labour.

Clearly, as Taiwan's economy underwent an unexpected sudden downturn following the power transfer, business acquired more leeway to pressure the government, because government grew more desperately reliant upon the investment decisions of business. It was in this context that business mounted its attacks upon the current labour laws. Though they were not particularly successful in rolling back labour regulations, these counteroffensives helped to set the upper limit for the potential gains that labour might have achieved, and showed the trajectory of the DPP government into a more conservative course.

On the other hand, Taiwan’s labour gained an unanticipated political ally in its bargaining with the DPP elites. After losing power, the KMT adopted an obstructionist strategy in the attempt to paralyse everything initiated by the DPP. The above analysis has shown that the opposition made an abrupt about-face and supported the labour camp in the controversies of working hours and privatisation. As the unemployment rate soared, the KMT sought to exploit workers' discontent to discredit the DPP government’s performance. In November 2001, the KMT staged a nationwide demonstration of the unemployed to demand more job opportunities. Another signature-collating campaign against ‘three highs’ (三高), that is, high unemployment rate, high tuition fees, and high national health insurance fees, was launched in August 2003. The KMT was able to mobilise a significant number of workers by the dint of its entrenched bases in the CFL and local occupational unions. But this should not be taken to mean the KMT espoused a leftist agenda. To put it more bluntly, what the KMT had in mind was an opportunist strategy to make political use of the heightened class antagonism. That was the reason the opposition could not square its ideological insistence on encouraging investment in China (which would obviously lead to further de-industrialisation in Taiwan) with its attempt to project itself as defender of laid-off workers. Further, the KMT also climbed on the business bandwagon by pushing for even lower taxes. During the 2004 presidential campaign, this unabashed opportunism was even more evident in the KMT’s platform on labour policy, which could be itemised as follows:

1. Reconsider the privatisation of state-owned enterprises.
2. Promote industrial democracy with labour representatives on the board of directors in state-owned enterprises.
3. Enable retired workers to enjoy the same preferential interest rate on retirement savings as government employees (up to 18 per cent).
4. Oppose the increase of premiums and co-payment of national health insurance.
5. Re-evaluate the policy of importing foreign labourers.

Most of these demands violated what the KMT actually did when it still held the presidency. Privatising national industries was first introduced by the KMT, and then followed by the DPP. So was the introduction of foreign labourers, but on this issue the DPP government kept its zero-growth promise so the number of foreign labourers stayed at around three hundred thousand in its first term. State workers’ demand for representation on the board of directors was not a new issue. It was raised by labour unions, and opposed by the KMT government before 2000. The proposal to allow retired workers to enjoy a preferential interest rate matching that of civil servants was quite novel. But this promise did not amount to any redistributive effect, since it was not business but the government who would foot the bill. Finally, raising

31 TCTU, Shimin qiaozhao shiyang zuoshu zizhi; 13.
32 Taiwan Labor Front, Jinggao jiyuan gaoyi tong yi de heshu zhi.
33 TCTU, Zhongguo ziliao zhongxue yuehuan zhi shiyi.
34 TCTU, Liu xing huo de xinxi huiyi de shiqinggang jingwu.
35 Ho, Wukorean State and Social Movement.
36 Alliance of Fairness and Justice, Shuxiang gaoyi guanmin zhengzhi.
37 United Daily News, Fushanban taiwansheng sanlu huanzai zhuanzai
38 TCTU, Guo Zhe zuimou tong yi tong yi.
the premiums and co-payment of national health insurance in 2002 had been opposed by Taiwan's organised labour. But the KMT's new opposition was not consistent with the fact that it also advocated raising the premiums before it lost the election in 2000.

In sum, additional political factors also shaped the evolution of labour politics under the DPP government. Most of the political pressures of business were thwarted by labour, and thus failed to bring about significant downward revisions of the labour regime. However, the loud complaints of business were certainly heard by the DPP leaders. With the DPP becoming less and less reform-oriented, it became even harder for labour to promote more far-reaching reforms. On the other hand, whatever the KMT's ulterior motives might be, the fact that a major opposition party sought to sponsor labour's cause automatically amplified pressure on the incumbents. As the DPP government came to face competition from the opposition parties, labour's political bargaining was made easier.

Conclusion

The so-called neo-centrist labour policy was not a product of conscious design, but of a special combination of circumstances that this chapter ventured to unravel. Labour could be expected to play a more significant role given the fact the DPP came into power with an explicitly reformist platform. But the actual trajectory of labour politics was determined by a multitude of factors that few if any could have foreseen.

Under the DPP government, Taiwan's labour movement succeeded in realising some desired legal reforms. Legalising independent national federations, establishing unemployment insurance, protecting occupationally injured workers and laid-off workers and promoting gender equality in employment were concrete achievements in the period. In hindsight, 2000–2004 was no less than a harvesting season for Taiwan's organised labour. But the I<MT's new opposition was not consistent with the fact that it also advocated raising the premiums before it lost the election in 2000.

Finally, the KMT's attitude is far from clear after its unexpected defeat in the 2004 presidential election. Since class politics is not a central political cleavage in Taiwan, there is some fluidity in shifting between leftist and rightist positions. The KMT might choose the hitherto opportunist strategy, and consequently labour would gain a strong albeit unpredictable political ally. On the other hand, the KMT could revert to its conservative orientation of the 1990s. If this happens, labour will have to face a two-fronted war.

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The Rootless Movement: Taiwan's Women's Movement in the KMT and DPP Eras

Weng Hui-chen and Dafydd Fell

Introduction

On May 20 2000, Lu Hsiu-lien not only became the Republic of China on Taiwan's first non KMT Vice President, but also the first woman to hold this office. Almost thirty years earlier, Lu had been a founding figure of Taiwan's independent women's movement. On the surface, Lu reaching the top of the greasy pole of Taiwanese politics appeared to be a triumph for the women's movement. Since 2000, DPP premiers have appointed record numbers of female cabinet ministers, and for the first time large numbers of the women's movement's leaders have entered government and electoral politics. In terms of financial resources, the women's movement in Taiwan has never had it so good, as the leading women's civic groups have been entrusted with huge welfare projects by both central and local governments. After two decades in which the women's movement had tried to operate by keeping a deliberate distance from politics, the year 2000 appears to mark a critical turning point as the women's groups have begun to actively enter government and establish alliances with political parties.

This chapter examines the development of Taiwan's women's movement before and after the change of ruling parties. We follow the inclusive definition of women's movement suggested by Lee Ann Banaszak et al., as "those movements whose definition, content, leadership, development, or issues are specific to women and their gender identity." We are interested to see whether elections and in particular a change in ruling parties really matter for the development of this social movement. Was the year 2000 truly a watershed for the movement's relationship with political forces, its repertoire of actions, and its ability to promote women's status? Or had many of the recent trends already begun in the KMT era? Have the closer alliances between women's groups and political parties actually strengthened the women's movement or dented its ability to supervise government? How does the development trajectory of the women's movement differ from Taiwan's other social movements?

Looking back over the history of the women's movement, we find that its evolution has been intimately linked to the island's political developments. The women's movement has adjusted its goals, repertoire of actions and relationship with political parties in response to the changing political environment. However, to treat the DPP's victory as a critical turning point for Taiwan's women's movement is an oversimplification. Both before and after the change of ruling parties, the women's movement has promoted the passage of a remarkable series of legislative measures.