

The Transition of Labour Identity within Worker Representation in Taiwan

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ABSTRACT

This study focuses on how Taiwanese labour identity has been transformed within the system of worker representation, especially through the non-union mechanisms. A case study has been conducted with participant observation, in-depth interviews with worker representatives, a survey of ordinary workers and documentary analysis. Workers are often unaware of their subordination until they understand or participate in any representative committees. Worker representatives gradually change their identity from unconsciousness to identification with their inferior status of labour.

INTRODUCTION

The system of worker representation, consisting of both union and non-union mechanisms, has been implemented for a long time in Taiwan. The Nationalist Party or Kuomintang (KMT) government has intervened in the industrial relations and stipulated various representative mechanisms including worker directors, labour-management conferences, employees' welfare committees, and so on. Businesses practice legal representative committees with the purposes of fulfilling the official requirements when they compete for some nationwide prizes of excellent businesses, or making good impression of their social responsibilities. Some companies regard the representative system as the strategies of human resources management.

The issue of personal identity is an ongoing debate in Taiwan. Taiwanese are always sensitive to their identities of nationality, politics, or ethnicity. For example, the political identity of one person is often 'pan-blue' for who are more conservative or 'pan-green' as more liberal. Identities of Taiwanese ethnicity embrace Hoklo, Hakka, mainlanders, aborigines, foreign spouses, and so forth. However, as Marsh (2002) argues, the identity of social class does not make any sense in Taiwan. People hardly ever think they are workers or labour, and used to work in a relationship of 'family' instead of employment relationships because of the Confucianism and the paternalism in societies as well as in workplaces (Wu 1999). Some workers would rather believe they are partners of the business (Shieh 1997).

The industrial policy of the KMT government until 1980s was formulated by the cooperation and interaction amongst fewer politicians, bureaucrats and business elites, and resulted in the industrial peace and industrial relations without the 'voice' or autonomy of trade unions. The state manipulated trade unions as the supplementary means of authority, and unions used to play the weakest role of industrial relations in Taiwan (Öniş 1991; Shieh 1997; Lee 1999; Wu 1999; Chen, Ko et al. 2003). Afterwards the enactment of the Labour Standards Act as the core of labour legislation in 1984 and the lifting of martial law in 1987 were two landmarks of Taiwanese industrial relations when the government began loosening its control of industrial relations (Wu 1999; Chen, Ko et al. 2003).

However, during the eight years from 2000 to 2008, the Democratic Progressive Party (DPP), which was the first opposition party in Taiwan established in 1986, won the presidential election twice and had been expected to transform the industrial relations as well as to generate the independent trade unionism (Wu 1999; Chen, Ko et al. 2003). The DPP

government announced the policy of building the labour-management partnership, amended major labour legislation, and reinforced mechanisms of non-union representation. However, the KMT took back the presidency after elections in May 2008.

Nowadays, the system of worker representation has been established and reinforced, and the labour rights seem to be secured by the reformation of labour law. However, what is the relationship between workers and their representatives in a workplace? This study aims to examine the system of worker representation in Taiwan as well as to explore the roles of both ordinary workers and worker representatives. For labour representatives, how do they recognise themselves and perform or behave whilst participating in some kinds of worker representation? For general workers, do individuals understand who are representing them and for what reasons as well as to what extent they are represented?

This paper is structured as follows. The next section briefly introduces the research case and methods of this study. The third section reviews the system of Taiwanese worker representation including union and non-union committees. Section four examines the identity of ordinary workers as well as of worker representatives. The final section provides the discussion and conclusion of this research.

RESEARCH CASE AND METHODS

This study involves a qualitative case study and explores an anonymous steel corporation in Taiwan, 'SteelCo'. 'SteelCo' was privately established in December 1971, became state-owned in July 1977, and was privatised in April 1995. In November 2007, 'SteelCo' owned a capital of approximately 2 billion pounds sterling and hired 9,076 employees of whom less than 2% were female and around 65% were operating workers. The average age of employees was 48 years old and the annual turnover rate of workforce was less than 1%.

The 'SteelCo' union was set up in December 1980 when the government treated 'SteelCo' as the model of state-owned businesses for implementing labour regulations. It held the initial direct presidential election in November 2001, which was the first of its kind in Taiwan because the Labour Union Law only legalises the indirect election of the union president. At present, it has 8,900 members and is the biggest single-plant industrial union in Taiwan, offering members a variety of welfare and fringe benefits ranging from pensions to children scholarships.

Participant observation was practiced in July and August 2003 when the researcher worked as an intern in the union. In-depth interviews were conducted with the union president and the union chief secretary in October and November 2003, and with union officers and worker representatives in April and August 2007. A questionnaire on the topic of personal relationships with the union as well as with the worker representatives and personal interests in participating in worker representation has been randomly distributed to 200 union members and 126 responses have been received in December 2007. Moreover, minutes of representative meetings, official letters and internal documents have been collected for documentary analysis.

WORKER REPRESENTATION IN TAIWAN

Trade Unions in Taiwan

The Labour Union Law, announced in October 1929 and amended in July 2000, approves all aspects of a union including its establishment, membership, officers, meetings, operational funds, supervision, protection, and dissolution (Presidential Office 2000). According to the Article 6 of the Labour Union Law, two types of unions are classified: industrial unions and craft unions. Industrial unions are composed of more than 30 employees within the same industry in the same area or in the same factory or workshop. Groups of workers exceeding the number 30 without constant employers but sharing the same professional skills may organise a craft union. In the first quarter of 2008, the overall organisation rate of all unions is

36.0% whilst the organisation rate of industrial unions is merely 17.4% but the organisation rate of craft unions is 48.0% (Council of Labour Affairs 2008).

According to the Collective Agreement Law enacted in 1930 and modified in 2008, trade unions are the only legal party to represent workers to negotiate issues of industrial relations and conclude written contracts with employers or associations of employers (Presidential Office 2008). Wei (2003) argues that the coverage rate of collective bargaining in Taiwan is very limited at less than 2%, and Wu (1999) believes the collective bargaining is 'rare and underdeveloped'.

Additionally, human resource management strategies are firmly practised with high-tech workers, such as Microsoft in the US, because individualism is highly emphasised and white-collar workers are not in favour of trade unions (van Jaarsveld 2004). It is the same situation in the science-based parks in Taiwan, where neither trade unions nor collective bargaining exist in the high-tech industry (Council of Labour Affairs 2008).

Non-Union Representation in Taiwan

Mechanisms regulated by the state. All enterprises should hold four legal committees including labour-management conferences, employees' welfare committees, labour safety and health committees, and supervisory committees of worker's retirement reserve funds. The labour-management conference is a forum for almost all issues in the workplace. The other three meetings are specified with different areas in workplaces as their titles indicate.

According to the Convocation Rules of the Labour-Management Conference announced in 1985 and amended in 2007, the organisation, structure and issues of a labour-management conference are regulated (Council of Labor Affairs and Ministry of Economic Affairs 2007), but there is neither penalty nor fine for employers who refuse to hold the labour-management conference (Wei 2003). Almost all kinds of issues relating to the workplace can be dealt in the meeting, but there are not critical issues concerning workers' working terms and conditions or the enterprise's basic operation, so labour-management conferences do not have any essential impacts on businesses (Cheng 2000; Huang, Uen et al. 2003). Furthermore, decisions taken at the labour-management conference are not obligatory, even if the meeting takes place regularly (Cheng 2000; Huang, Uen et al. 2003; Wei 2003).

The 'SteelCo' labour-management conference was set up in December 1985 and its meetings are held on the fourth Thursday of each month. The labour representatives suggest all kinds of issues of their employment relations, but the management representatives never submit any items for the meeting agenda. The convenor of labour representatives calls a monthly pre-conference one week before the formal meeting to discuss and propose issues to the Employee Relations Division of the Human Resources Department to set the agenda. In the formal meeting, every representative chairs in turn but the person taking minutes is fixed to an employee of the Employee Relations Division.

According to the Organisational Rules of the Employees' Welfare Committees announced in 1943 and amended in 2006, the 'SteelCo' employees' welfare committee is a committee of 'SteelCo' Group that was initiated after the privatisation when 'SteelCo' set up new subsidiary companies. The majority of sixteen committee members are labour representatives, but the chair is the company president. This committee meets bimonthly with a pre-meeting conducted before the formal meeting to conclude common views in advance. During the formal meetings so far, there is usually no argument and agendas are always concluded by consensus along lines of the discussion in the pre-meeting. Representatives never vote but organise a peaceful and effective meeting.

Other legal committees are the labour safety and health committee and the supervisory committee of worker's retirement reserve funds. The former committee deals with issues of safety and health, and labour representatives feel more powerful because their proposals are usually accepted and put into practice, and the management has less excuse to object safety

and healthy proposals. The latter is only responsible for the workers' retirement reserve funds allocated by the company monthly. Both committees are chaired directly by the company president.

Mechanisms proposed by the union. After the privatisation in April 1995, the union proposed to 'SteelCo' one worker director on the board but failed due to the severe conflicting opinions between both sides about how to appoint the worker director. Eventually, both sides came to an agreement in December 1997, and the union started collecting members' letters of attorney of stocks and acquired their first worker director in May 2001. At present, the 'SteelCo' union president acts as the legal person to represent the worker director being supported by an advisory committee of the union.

The issue of worker directors on the board in Taiwan was firstly suggested to the public in January 1996 by the Chunghwa Telecom Workers' Union, but the government did not consider it at that time. In June 2000, the Legislative Yuan amended the Administrative Law of State-Run Enterprise to include worker directors recommended by the union to be the representatives of state capital on the board (Legislative Yuan 2008). According to the Article 35 of the Administrative Law of State-Run Enterprise, boards of state-owned enterprises have to set up worker directors to represent state capital whilst every 20% of state capital is represented by one seat of worker director.

Some state capital still invests in 'SteelCo', albeit privatised nowadays, so it is possible for the union to demand extra seat of worker directors according to the amount of state capital. However, the union president said, *"we do not ask for more seats on the board because one representative has been enough. If we got more seats today, should we give them up when the government decreased its investments tomorrow? Besides, we don't want the company think we union are too greedy and we hope to keep the workplace harmonic. Nonetheless, one director is better than more because this seat will never be revoked, but we are unable to guarantee the amount of state investment."*

Mechanisms formalised by the company. It is believed that worker involvement and participation would harmonise industrial relations and increase the productivity in the workplace (Baugher 2003; Lansbury and Wailes 2008), so the management are in favour of introducing some non-union mechanisms. One example within 'SteelCo' is the regular departmental meeting in which all employees in the same department can attend and ask questions or suggest issues related to their welfare and rights as well as the improvements of their jobs or workplaces. Workers talk directly to the head of department and are answered straight in the meeting. However, some people prefer to be silent or not to show up since they do not trust the management and are afraid of becoming the potential target to retaliation in their offices.

Besides, 'SteelCo' has formalised three other committees including the employees' stock ownership trust committee, the sexual harassment prevention committee, and the awards and punishment committee. Implementation of each committee is similar to the three legal committees specified with one area of issues.

In brief, nine kinds of representative mechanisms exist in 'SteelCo': the labour-management conference, the employees' welfare committee, the labour safety and health committee, the supervisory committee of worker's retirement reserve funds, the employees' stock ownership trust committee, the worker director, the sexual harassment prevention committee, the awards and punishment committee, and the departmental meeting.

LABOUR IDENTITY IN TAIWAN

Marsh (2002) studied social class identity in Taiwan with data from a 1992 survey in which respondents chose one category of six classes: upper, upper middle, middle, lower middle, working and lower classes, and 41% of respondents selected middle class but only 29% selected working class (Chiu 1992). He argues that social class identity is fairly unimportant

in Taiwan because people's attitudes towards class are not influenced by their class identity and in fact people might not choose one of the above classes if they had the option to say not belonging to any class category in that survey.

Comparing his study with Burawoy (1979), Shieh (1997) researched subcontracted networks of workers and workers paid-by-the-piece in Taiwan and indicated shaping the subjectivity of labour is a dynamic process of development. Workers and employers have a common view of labour and labour force of piece workers as real commodities. Employers who simultaneously do piecework alongside piece workers regard piece workers as their co-workers or partners and consider there is only a pure bargaining relationship of prices in between. Taiwan is a 'boss island (Shieh 1992)', and labourers of piecework believe that the work-wage relationship is only an exchange on the commodity market so they agree not to be paid additionally for weekends or holidays (Shieh 1997).

The notion of piece-working consciousness consists of four aspects. First, workers view themselves as 'small bosses' taking charge of their own risk. Second, the 'labour only' consciousness makes workers regard their labour as pure commodities. Third, workers come to the factory when there is work but go home whenever there is no work, moving freely but actually standing by at times without pay. Virtually free consciousness is constructed. Fourth, the blurring of the employment relationship results in a specific consciousness of class with which piece workers believe that the contributors to the workplace are themselves as partners of the business, rather than the management who are the real employers (Shieh 1997).

Identity of Ordinary Workers

The 'SteelCo' workers receive information on representative committees in many ways, mostly from the union when they visit the union office, read the union periodical and website, or interact with their union representatives or officers. They occasionally follow issues by chatting with colleagues or reading internal documents and official letters, but rarely from their supervisors or line managers who seldom address these issues.

The 'SteelCo' workers do not understand all institutions. The best-known is the employees' welfare committee because people receive gift vouchers, shopping discounts, travel subsidies and bonuses, use gymnasium, eat in the canteen or watch free movies in the factory. People know what the employees' welfare committee offers no matter how close they are to the union. The second and third most known are the labour-management conference and the labour safety and health committee. The labour-management conference is a forum for many issues addressed, while safety and health is the most important issue in the company. The least-known mechanism is the sexual harassment prevention committee formalised by the company, because most male workers have no female colleagues and never think of gender discrimination existing in their workplace, so only 15% workers have ever heard of it.

Workers do not understand the representative systems well, and only a small number would like to become representatives. Those interested see it a chance to dedicate themselves to fellow members or to gain some fame. Nonetheless, most are not interested, since they do not have enough time or are simply not willing to participate. A few workers do not think they are sufficiently knowledgeable to become a representative. One worker said, *"we have so many employees in the company and everyone's clever, so no need for me to be a rep."*

Ordinary workers might be aware of themselves being subject to the company, but they are not impressed unless they confront with their line managers or departments. *"I am a member of this big 'SteelCo' family and proud of it. The company treats us well and my colleagues are very nice. I don't think there's any problem, so I don't need to ask any help from the reps,"* said a worker. In general, communication between workers and their representatives is poor. Workers who can most easily get in touch with representatives are those working closest by them, so they even understand the situation and beware of some confrontation as well.

Some workers do not contact representatives and even do not know who they are. In addition, workers often do not hear the outcome of issues, though they may be aware of the function of representatives communicating with management.

Identity of Worker Representatives

The 'SteelCo' union integrates and develops internal committees to support labour representatives, reminiscent of 'structuration (Giddens 1984) in the workplace by following the structure as well as creating the structure concurrently. The union nominates and encourages members to serve as worker representatives, who might never think of this role until they join one of the committees. One representative of the labour-management conference said, *"I became a representative because the union president came to persuade me. I have been an engineer in our company for years but I did not actively participate in the union before playing this role. In addition, being a rep helps me understand the union and workers more."*

Some labour representatives volunteer because they wish to express their ambitions to change and to improve the structure of work or to fulfil their personal career. Another representative of the labour-management conference said, *"I've joined the union for a long time and I could feel the problem between workers and management in my department. I'd like to change it so I asked for the support from the union and joined the election of representatives. Now I am happy with what I have done and I believe that I am doing something good for us."* Labour representatives define their roles as fighting for labour rights and presenting workers' interests and perspectives and they feel satisfied with what they have achieved. In terms of their subjective identity, they are often unaware of the subordinate status until they participate in meetings with management and encounter conflicts.

Sometimes labour representatives feel the conflicting atmosphere between them and management in meetings because of too many unresolved issues. *"I found we have different needs from the company and that's why we are in the meeting, but I've never thought of the differences between labour and management. I thought the company and us should be a big family, so I couldn't believe when the first time I had argument with the management representative,"* said a representative of the labour-management conference. They may never have thought of themselves in workplace confrontation before they become labour-management conference representatives. One representative said, *"no issues would arise and be defended should no confrontation exist between the labour and the management."* Being representatives in fact transforms their experiences from unconsciousness of distinctive worker interests to identification with the inferior status of labour. Sometimes they are surprised with this changing in their mind, but then understand it is the reality in the workplace, which they are not able to deny.

DISCUSSION AND CONCLUSION

Different types of representation take place in the workplace, including institutions regulated by the state, formulated by the company as well as initiated by the union. The union integrates different mechanisms of worker representation and develops internal committees to support labour representatives as well as to strengthen its influences in the business.

For the rank and file's interest in being the worker representatives, people are too busy or not willing to participate, albeit their poor communication with the present representatives. Only a small number of general workers would like to represent. Unfortunately, workers who do not participate as representatives are not always aware of the efforts made on their behalf by representatives because of bad communication in between, and a gap continues to exist between representatives and workers. As a result, ordinary workers might not be aware of the real employment relationships in the workplace, and their identity is not constructed from the subordinate conflicts but from the interaction with their line managers and fellow colleagues. Workers may not sense the identity of social class as same as the whole society.

Quite a few union members of staff serve as worker representatives because they are nominated or encouraged by the union, but others are interested in the role of fulfilment in personal careers or pursuit of higher social status whilst some experience work inequality and look for a channel to solve it. Representatives are satisfied with what they have done and define their roles as fighting for labour rights and expressing workers' thoughts. During meetings representatives first behave unconsciously as labour before they identify themselves as labour, but they also start understanding themselves as labour when they face continuing conflicts with the company. The union is important to ensure the appropriate implementation of worker representation system, especially when the state legitimises various representative committees without any penalty for non-enforcement of the management. Worker representatives supported by the union are always confident of speaking on behalf of fellow members when they confront with the management. The identity of worker representatives has gradually changed during their participation in worker representation systems, from unconsciousness to identification with being workers. The changing of their identity by their experiences in representative committees is another structuration in the workplace.

In brief, the transition of labour identities in Taiwan is ongoing and impacted by the implementation of labour representation. Instead of shaping workers' loyalty to the enterprise, various mechanisms of worker representation force people to understand their subjectivity to the business and to revolutionise the situation. Nonetheless, general workers may not identify their subordination until they are aware of and even participate in different representative mechanisms.

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