Chairman Neal, Ranking Member Brady and members of the Committee on Ways and Means, thank you for the opportunity to present the Solidarity Center’s perspective on labor rights in Taiwan. We appreciate the continued leadership of members of this Committee in ensuring that the rights of workers are protected and your consistent work to shine a spotlight on the plight of the most vulnerable and marginalized workers. The leadership of this Committee is much needed to advocate for a worker-centered approach to deepening the U.S. economic and trade relationship with Taiwan.

The Solidarity Center is the largest U.S.-based international worker rights organization. Our mission is to help workers attain safe and healthy workplaces, family-supporting wages, dignity on the job, and greater equity at work and in their community. Allied with the AFL-CIO, the Solidarity Center assists workers across the globe as, together, they fight discrimination, exploitation, and the systems that entrench poverty—to achieve democracy in their countries, and shared prosperity in the global economy. The Solidarity Center acts on the fundamental principle that working people can, by exercising their right to freedom of association to form or join trade unions and democratic worker rights organizations, and bargaining collectively, improve their workplaces, their communities and their societies. We call on governments to uphold laws and protect human rights, and be a force for democracy, social justice, and inclusive economic development. The Solidarity Center collaborates closely with the unions and labor groups in Taiwan on issues of freedom of association, forced labor, and migrant worker rights.

We believe the Committee must prioritize the fundamental labor rights of workers in Taiwan in its oversight of the U.S. efforts to foster a balanced trade and economic relationship with Taiwan. Unions in Taiwan can be staunch pillars of grassroots democracy that support democratic values not only in Taiwan, but also in the region as a whole.
Independent trade unions are critical to a sustainable democracy. The dismantling of trade unions in Hong Kong\(^1\) marks the highest escalation of attacks on trade unions in Asia in recent history. These attacks received widespread condemnation by the international community, including the international trade union movement.\(^2\) It also indicates the shrinking democratic spaces for labor organizing in the region. At this historical moment, it is not only important but also necessary to support and strengthen the independent trade union movement in Taiwan. The U.S. must center the voice and priorities of the independent trade union movement in Taiwan in any discussion about opportunities to deepen economic ties.

Taiwan has overcome years of military dictatorship, during which worker rights were deeply suppressed, to emerge as a thriving democracy. The story of the ‘Taiwan miracle’ is one of transformation from an economy fueled by low-cost manufacturing and renowned for producing Barbie Dolls\(^3\) to a high-end and technologically advanced economy that supplies the world with state of art semiconductor chips.\(^4\) The workers in Taiwan—both local and migrant workers—have vigorously struggled to build Taiwan’s burgeoning economy, and it is their voices that we must acknowledge, honor, and center as the Committee explores opportunities to promote cooperation between the U.S. and Taiwan. Workers in the U.S. and in Taiwan have a stake in the outcome and should be included in policy making.

The Solidarity Center, in consultation with trade unions and labor organizations\(^5\) in Taiwan, identified four key areas that deserve attention from the U.S. as it considers increased economic engagement with Taiwan.

1. **Fundamental Worker Rights in Taiwan**

Workers in Taiwan face many challenges in exercising their fundamental rights as workers. The voice of workers in policy making is sidelined, and their bargaining power is greatly diminished because Taiwan’s labor laws and practices fall significantly short of international standards and practices in several key ways. First, while the majority of workers are covered by the Labor Standard Act (2020), its applicability and implementation is not universal. Second, while workers are allowed to form three types of unions—enterprise unions, industrial unions, and professional (craft or occupational) unions—the labyrinth of rules governing all three types of legal union formation leave workers constrained from realizing their fundamental human rights at work.

\(^1\) https://www.reuters.com/world/china/hong-kong-opposition-trade-union-group-disband-2021-09-19/
\(^2\) https://www.ituc-csi.org/hong-kong-ituc-affiliate-hkctu
\(^5\) The organizations include: Taiwan Labourers Association, Youth Labor Union 85, Taiwan Federation of Financial Unions, Serve the People Association Taoyuan, Yilin Fishermen’s Union and Domestic Caretaker Union.
Taiwan’s laws are not compliant with the ILO Convention 87 on Freedom of Association. The law requires a minimum of 30 workers to form a union; however, the majority of workers in Taiwan work in small enterprises. This excludes the majority of workers from forming enterprise unions. The ILO\(^6\) has generally found such minimum membership requirements to be too high. Further, the professional (craft) unions are required to organize, bargain, function, and operate at the city level only, which minimizes their ability to affect broader standards and conditions.

In theory the law permits workers to form industrial unions and to bargain at the level of an entire company or industry, but in practice, this rarely happens. To bargain collectively industrial and professional unions must represent “more than one half of employees employed by the other party of bargaining”\(^7\) which means the entire company or profession dispersed across the whole country. Workers report that employers use tactics like changing the number of workers they claim are employed so the threshold cannot be reached and engage in deliberate anti-unionism to dissuade and intimidate workers and activists.

Labor activists also report the practice of employer-created “yellow” unions in craft unions, which do not democratically represent workers. Because the law prohibits more than one union in a workplace at the enterprise level, when employers create fraudulent or employer dominated unions, workers cannot build an independent and democratic union to replace them and so are left with no authentic representation.

Certain occupational groups of workers are also prohibited from forming or joining unions, including defense industry workers, police, and firefighters. Civil servants also are not allowed to form trade unions but can only form loose ‘professional associations’ without bargaining rights.

The right to strike, the most fundamental democratic right, is also highly restricted among some groups of workers—including teachers, civil servants and workers in the defense industry. In practice, the right to strike is highly restricted in general due to mandatory and time-consuming procedures before a strike can be declared. The State Department\(^8\) notes that “workers are only allowed to strike in disputes such as compensation and work schedules but cannot strike in relation to rights guaranteed under the law, which are expected to be resolved through the judicial system.”

Anti-union discrimination is also quite common. Large enterprises make it difficult\(^9\) for workers to organize by using different anti-union methods that include blacklisting the union organizers and even relocating them to other divisions. These methods are common in the technology sector. To illustrate this: There is only one enterprise union among the 520 companies in Hsinchu Science Park that employs more than 150,000 workers.

\(^7\) https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=N0020006
\(^8\) https://www.state.gov/wp-content/uploads/2022/03/313615_TAIWAN-2021-HUMAN-RIGHTS-REPORT.pdf
\(^9\) ibid.
In 2022, the ILO recognized Occupational Safety and Health as a fundamental right at work, yet this is not the case in Taiwan. Long work hours are a leading occupational health and safety issue as workers in Taiwan work among the longest number of hours in the world, resulting in stress related disorders and even ‘death due to overwork.’ A 2017 Labor Standards Act amendment raised the maximum overtime from 46 hours to 54 hours per month. It also raised the ceiling on the number of consecutive working days from six to 12 days. Indeed, Taiwan’s National Human Rights Commission found that the Government as well as the Ministry of Labor did not sufficiently consult with workers’ organizations or take their objections into account when it instituted these new work hour rules.

After a long struggle by trade unions and organizations representing OSH victims, Taiwan has recognized it as a ‘compensable work related fatality.’ However, OSH protections remain a low priority among employers. In a recent case, a worker in the communications sector died due to overwork in 2021. He worked for more than 100 hours of overtime a month. Marginalized migrant workers such as industrial workers, domestic workers and workers in the fishing sector who work long hours under hazardous conditions are especially vulnerable.

On the books, Taiwan’s OSH laws offer widespread coverage. But implementation remains weak. Strong unions with the ability to bargain goods contracts can also help workers achieve decent, safe conditions. Unions enable workers to advocate for the changes they need at the government level to ensure proper enforcement of the laws and press for new measures that hold employers accountable. It is widely recognized by workers throughout Taiwan that “unionized workplaces are the safe workplaces” and that a lack of unions also impacts the occupational safety and health rights of workers.

2. Migrant Worker Rights

Taiwan has nearly 700,000 documented migrant workers in a variety of sectors including manufacturing, technology, and caregiving. Taiwan’s Ministry of Labor estimates that more than 60 percent of Taiwan’s migrant workers are employed in manufacturing and at factories that enable its globally crucial technology and chip economy. Migrant workers come from countries in Southeast Asia such as Indonesia, the Philippines, Vietnam, and Thailand. Taiwan’s labor law does not cover migrant workers on Taiwan's distant water fishing vessels, nor does it cover migrant domestic workers; both categories of workers have no regulated work hours or working conditions. Organizations working to support migrants in Taiwan report that they are commonly subjected to exploitative working conditions and are highly susceptible to becoming the victims of forced labor.

11 https://www.taiwanews.com.tw/en/news/4317429#:~:text=People%20in%20Taiwan%20averaged%202%20%20working%20hours%20in%202020%20and%20text=Focusing%20on%20just%20Asia%2C%20workers%2C%20spent%20around%201%20%20hours%20working
13 https://nhrc.cy.gov.tw/Content/Uploads/ArticleArea/925f8970-5b22-4898-811a-cc45fd085aa1.pdf
Migrant workers in Taiwan are commonly hired via labor recruiters (brokers) who extract fees that include a ‘service’ fee, job guarantee deposits, and expensive flights and accommodations. This fee can range from NT$60,000 to NT$200,000 ($2,000 to $6,500). Recruitment (brokerage) companies often require workers to take out loans to pay these costs from the local branches of the Taiwan banks in their home countries. This process makes them vulnerable to debt bondage. The current system also allows brokerage firms to charge migrant workers a monthly fee ranging from NT$1500 to NT$ 1800 to arrange the work and daily life of the migrant workers. Poor and vulnerable migrant workers shoulder the entire burden of brokerage fees with employers picking up none of the cost.

Under this system, migrant workers are indebted even before they start work. Employers regularly withhold migrant workers’ travel documents (including passports), making it difficult for them to change employers or leave unsafe conditions. A Taiwan-based migrant worker rights advocate Lennon Ying-Dah Wong says “night shift work in factories in Taiwan is commonly performed by migrant workers. Their shift is also not rotated, they do not receive incentive pay for night work, and they continue to work only on the night shift for years.” According to migrant rights organizations, this practice is especially common in the large semiconductor industry which employs thousands of temporary migrant workers.

Taiwan’s approximately 200,000 domestic workers and home-based caretakers are migrant workers, and they are excluded from the scope of labor laws. Since they also live with their employer, they have no defined work hours and remain on call literally 24 hours a day. Despite the long working hours and difficult working conditions, they remain the lowest-paid workers in Taiwan. In August 2022, the Taiwanese government raised the monthly minimum wage for migrant domestic workers from NT$17,000 ($567) to NT$20,000 ($646) per month--an increase of more than 17 percent but still well below the NT$25,250 ($816) monthly minimum wage.

Migrant worker advocates report that they also face widespread gender-based violence and discrimination. This includes discrimination based on pregnancy as well as maternity benefits granted to them under the law. The law in Taiwan prohibits employers from deporting migrant workers or terminating their contracts if they get pregnant and provides maternity benefits for pregnant migrant workers. In reality, many employers and brokers pressure migrant workers to break their contracts and return to their home country, while other employers fabricate reasons to cancel or refuse to renew the contract of workers who are found pregnant. In fear of losing their jobs or being deported, migrant workers often hide the news of their pregnancy and avoid routine pregnancy checkups and eventually many must make a difficult decision between having a child or the job.

Further, when COVID pandemic restrictions were in full force, surveys of domestic workers conducted by Taiwan-based advocacy organizations revealed large percentages of domestic workers were not allowed to leave the private homes of their employers and worked or were on call for months at a time, 24 hours a day. Similar restrictions were also seen among migrant

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15 Lennon Ying-Dah Wong is the Director, Department of Policies on Migrant Workers, Serve the People Association, Taoyuan (SPA). He shared his views via video call on September 8, 2022.
factory workers, including in the semiconducting industry. This practice was widely accused by migrant rights organizations of discrimination and double standards as such restrictions were not implemented among local residents. The Ministry of Labor maintains a 24-hour multilingual helpline where migrant workers can report abuse and seek legal help and advice. However, many migrant workers organizations report that migrant workers are reluctant to report any abuse as they fear termination and possible deportation and so would be unable to pay back their debts to the brokers. This system creates and sustains systemic abuse.

3. Forced Labor – Fishing

The risk of forced labor in the fishing industry has been one of the most serious concerns voiced by many international organizations and documented by the U.S. State Department and the U.S. Department of Labor. Taiwan’s top ombuds institution, Control Yuan, has recently made extensive and urgent recommendations to combat forced labor and improve the industry. By all accounts, migrant fishers are commonly subjected to mistreatment and poor working conditions. Domestic labor laws only apply to fishers working within Taiwanese waters. Fishers working on Taiwan-flagged vessels operating beyond the territorial waters of Taiwan do not enjoy similar protections of labor rights, wages, insurance, and pensions. The minimum wage for these workers is also much lower than the minimum wage in Taiwan.

There are about 20,000 migrant workers employed in this sector, mostly from Indonesia and the Philippines. According to the U.S. Department of Labor, “numerous instances” of forced labor have been reported on Taiwan-flagged fishing vessels.

A survey conducted by the Environmental Justice Foundation (EJF) in 2020 found that 80 percent of workers on these vessels had experienced excessive overtime, and more than 90 percent said they had not received the wages they were owed. Similarly, Greenpeace also reported forced labor in the operation of two Taiwan-owned foreign-flagged fishing vessels - Chun No 12 and Da Wang. This report led to an investigation by the U.S. Customs and Border Protection (CBP) and the results released in January 2022 revealed that the fishing vessel Da Wang used forced labor in its operations. CBP

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18https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods?tid=5524&field_exp_good_target_id=All&field_exp_exploitation_type_target_id_1=All&items_per_page=10
19https://international.thenewslens.com/article/150838
20https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods?tid=5524&field_exp_good_target_id=All&field_exp_exploitation_type_target_id_1=All&items_per_page=10
23https://www.greenpeace.org/usa/research/choppy-waters-forced-labor-illegal-fishing-seafood-taiwans-distant-water-fisheries/
has also banned\(^{25}\) the importation of seafood from four other Taiwanese fishing vessels due to the use of forced labor.

Taiwan has taken some concrete steps to address the issue of forced labor, placing it on Tier 1 of the State Department Trafficking in Persons Report (TIP Report) meaning the government “has made efforts to address” problems identified in the Trafficking and Persons Report. Many international organizations,\(^{26}\) and Taiwanese organizations such as Serve the People Association and the Yilan Migrant Fishermen Union Taiwan, have expressed concerns about the vulnerability of migrant workers to forced labor in Taiwan, and have extensively critiqued Taiwan’s designation as Tier 1.

According to Alison Lee, co-founder and Secretary-General of the Yilan Migrant Fishermen Union, “the exclusion of offshore fishing workers from the labor protection laws remains the root cause of the exploitation. An exclusion means that the labor department has no jurisdiction over these vessels. The regulatory framework is weak, and employers often collude with them as this exploitative system is profitable for them.”\(^{27}\) Her union, founded in 2013, is based in Nanfang’ao and is composed mostly of migrant workers. Alison was the first Taiwanese to receive the “Hero Acting to End Modern Slavery Award”\(^{28}\) from the U.S. State Department.

### 4. Corporate Accountability and Due diligence

Taiwan is uniquely placed as a major driving force in the key global supply chains with Taiwanese subcontract manufacturers leading the production of major goods such as apparel and footwear and electronics. They produce the majority of the global branded shoes\(^ {29}\) and electronics.\(^ {30}\) It is very likely that the shoes we are wearing or the phones we use were produced by Taiwanese-owned manufacturers in China, Indonesia, Mexico, Lesotho or Vietnam.

Like their counterparts headquartered in Hong Kong, Singapore, South Korea, the United States, and elsewhere, Taiwan-based producers of consumer goods often operate their global supply chains in a manner that falls far short of international labor standards.

Two glaring examples are Hon Hai Technology Group, better known as Foxconn, and Pou Chen Group, the world’s largest contract manufacturers of electronics and running shoes, respectively, serving Apple, Samsung, Nike, New Balance, and dozens of other leading brands. Both Foxconn\(^ {31}\) and Pou Chen Group have a long track-record of violating national and international labor standards in their factories across the globe, abusing workers through excessive overtime, inhuman production pressure, off-the-clock work, failing to provide legally mandated benefits,


\(^{27}\)The meeting took place over video conferencing on September 8, 2022.

\(^{28}\)http://www.tipheroes.org/allison-lee/

\(^{29}\)https://www.taipeitimes.com/News/biz/archives/2022/05/16/2003778250


\(^{31}\)Foxconn also exploited the historical tax breaks Wisconsin offered, a move that highlights the need for better transparency and corporate accountability across the supply chains.
Taiwanese companies have also set a positive example in some cases. Nien Hsing, a global leader in the production of denim clothing, is participating in a ground-breaking program to combat gender-based workplace violence and protect unions’ right to organize at its factories in Lesotho, working closely with labor unions and women’s rights groups. This initiative, known as the Lesotho Agreement, was the first of its kind to adopt the spirit and the letter of ILO Convention C190 concerning the elimination of violence and harassment in the workplace, and to commit to uphold freedom of association (the right of workers to have unions and represent workers’ interests at work). Through the program, Nien Hsing works with unions and women’s rights organization to enforce a new code of conduct that allows workers to anonymously report sexual harassment and gender-based violence to an independent, third party investigatory authority empowered to recommend remediation, up to and including firing abusive actors. The Lesotho Agreement was also signed by three U.S.-based buyers who commit to enforce the agreement with Nien Hsing. Taiwanese-owned factories in Bangladesh have also been prominent among those that have carried out sweeping safety renovations under the auspices of the Bangladesh Accord, a program that has transformed safety conditions for workers across that country’s massive garment sector. Notably, both of those programs are the product of binding agreements between unions and global corporations, an approach that has achieved success, while voluntary labor rights initiatives have proven to consistently fail.

The message is clear: Taiwan’s overseas investments, companies and supply chains should strive to achieve the high road in terms of human rights and accountability to workers. These companies and their investments should ensure decent work, support workers’ freedom of association, and support and enforce corporate accountability in its global supply chains.

**Recommendations**

Taiwan distinguishes itself in the region as a democracy striving to build human rights and rule of law; it is critical that worker rights are prioritized as part of that trajectory. Taiwan’s Control Yuan, National Human Rights Committee, and other national institutions have an important role in ensuring worker rights are reflected in law and respected in practice. Most importantly, Taiwan’s labor movement, including unions and worker rights organizations, should be encouraged to play their rightful role in civil society in shaping the future of a just, fair economy.

**Worker-Centered Trade: Inclusion of Trade Union Representatives and Labor Organizations from both Regions in Trade Negotiations**

Considering the impact that enhanced trade may have on workers and working conditions in both
regions, it is important to include trade union and worker representatives from both the United States and Taiwan in a meaningful and constructive manner. This will help in building a sustainable worker-centered trade that will create just and inclusive workplaces.

**Full Respect for Fundamental Rights at Work as Determined by the ILO**
We encourage both governments and employers in Taiwan to take concrete steps to remove the existing barriers that impede the formation of independent unions in Taiwan. We also urge Taiwan to take clear measures that will promote inclusive collective bargaining and more focus on OSH rights. They include

**The right to freedom of association, to organize and bargain collectively:** All workers without distinction should have the right to organize and form a union of their choosing. The government should remove any obstacles in law and in practice to the full exercise of these rights and furthermore promote their full exercise. Employers have a responsibility and an opportunity, separate and apart from government action, to ensure respect for employees’ labor rights and positively engage governments and workers in any future reform process. This includes addressing, at minimum, the following issues:

- exclusion of workers in certain occupations from the right to form or join a union
- excessive minimum membership requirement
- the limitation on the number of unions at the enterprise and sectoral level
- limitations on the right to strike
- limitations on sectoral collective bargaining, the right of civil servants to bargain collectively
- the full rights in law and practice of migrant workers to join and form unions, and to bargain
- effective remedies in the case of anti-union employer interference, including the support of employer-dominated “yellow” unions

**Workplace Safety and Health Rights**
Taiwan authorities should recognize OSH as a core labor right in accordance with the ILO resolution. It should take effective and concrete steps to improve the lack of safety and health protections for migrant workers, including extending coverage to the most marginalized domestic work and fishing sector. In accordance with the demands by the trade unions as well as victims’ organizations, it should enact laws to impose punitive damages on businesses that fail to provide safe workplaces for their workers.

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36https://focustaiwan.tw/society/202204280029
Migrant Worker Rights and Forced Labor

Authorities in Taiwan should recognize that migrant workers remain disadvantaged and widely discriminated against with respect to the applicability of existing laws and face harsh working conditions, lack of representation and voice, and abuse, including vulnerability to forced labor.

The unfair labor brokerage system is rife with abuse. It should be abolished and replaced with recruitment systems in line with ILO fair recruitment principles. All forms of discrimination against migrant workers should be recognized and addressed by framing protective legislation and clear mechanisms of protection and redress.

Taiwanese authorities should also

- Consider the implementation of the recommendations for eliminating forced labor from the fishing industry including those provided by the Control Yuan, National Human Rights Committee, Yilan Migrant Fisherman’s Union, the Seafood Working Group, and others
- Prioritize the application of the Labor Standards Act to all fishers and place the industry under the jurisdiction of the Ministry of Labor, subject to labor inspection and labor laws
- Provide migrant workers with materials that are accessible based on their language and level of literacy on the laws and policies protecting their rights
- Prioritize swift and high-profile sanctions of agencies and employers who violate the law.

Corporate Accountability Due Diligence

By virtue of its status as a global leader in subcontract manufacturing, Taiwan has an important opportunity to protect the human rights of workers in supply chains beyond its own borders. Taiwan’s manufacturers should take immediate steps consistent with the UN Guiding Principles on Business and Human Rights to ensure respect for workers' rights in their own operations and with their business relationships across their supply chains, including the rights to associate, to organize and to bargain collectively. The Taiwanese government should also regulate its companies through laws that hold them accountable and ensure access to a timely and effective remedy for affected workers. Worker rights and business and human rights organizations in Taiwan should play a role in proposing policy recommendations and should be consulted in developing policy. Private companies like Nien Hsing and others with proven experience can play a role in sharing best practices.

As a key contributor to global high-tech and other manufacturing, by providing robust worker rights protections and clear and effective support for independent worker unions, Taiwan has the opportunity to open the door to the democratic freedoms that workers in Taiwan, and around the world, have a right to exercise.

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38 https://laborrights.org/releases/seafood-working-group-recommends-taiwan-be-downgraded-state-department-trafficking-persons