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**The Political Participation of
Taiwan's Labor:**

Public Perception and Legitimation

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The Political Participation of Taiwan's Labor:

Public Perception and Legitimation

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Abstract

Many countries have undergone political transitions since the third wave of democratization began in the 1970s. Political regimes across the world have, consequently, faced questions regarding their legitimacy.

Taiwan underwent its third transition of political power in 2016. In the course of this international wave of democratization, what role has Taiwanese labor played? Under what conditions could political participation by Taiwanese labor take place?

It is usually believed that institutionalization and regulation is a key part of democratization in political transitions. It is believed that citizens' ability for civic participation increases in the course of a democratic transition. One should expect workers to have greater means of political participation, as reflected in institutionalization and regulation.

It is thought that Taiwan's democratic transition has been under way for over thirty years. Significant economic growth has been seen during this period, as seen in the statistics. But if we divide up the population into members of management and workers, we can see that structurally, the majority of the population consists of workers, whether this is defined as workers who maintain subsistence living or in terms of political participation. The results of growth in the national economy have not trickled down to them. This is a contradiction that has happened in the cause of gradual democratization.

Embedded democracy theory provides one explanation for this.¹ In the process of democratization, a country must have open and transparent elections with rule of law, civil rights, horizontal accountability, and pursue external and internal embeddedness. If elections are simply held for the sake of maintaining political legitimacy, without means of social participation in elections or a system of separation of powers, that country has not truly advanced to the stage of rule of law. The institutionalization of democracy may cover up a lack of civil participation, even if externally, this appears to be a high degree of institutionalized legal regulation. An institutionalized democracy may yet be a defective democracy or a defunct democracy.²

Workers are a significant part of society. Moreover, industrial relations are a basis for economic participation. Under the current national system, on the one hand, the political system derived from the legal system has been institutionalized. On the other hand, the culture and habits of the social system have also become standardized and regulated. Under the regulation of both, we can examine what role that workers play.

The following dissertation draws on strategic and conflictive groups' theory (SKoG) in order to analyze the roles played by social units in the labor relations system in

¹ The concept of embedded democracy was proposed by Wolfgang Merkel, Hans-Jürgen Puhle and Aurel S. Croissant.

² The main concept of defective democracy is that the majority of new democracies could not be labelled 'liberal democracies' because these democracies are with certain defects.

Taiwan. The changes undergone by these social units in the course of historical changes will be analyzed in terms of embedded democracy theory.

This will reveal the mutually interactive relations of the current historical outlook. Our conclusion reveals that in Taiwan, workers' mutually interactive relation with the closure of physical and human geography, the "island closure", has developed under an institutionalized democracy. But whether during the authoritarian period, in the course of democratic transition, or during Taiwan's democratic consolidation, workers have faced limitations as well as shifts in political participation.

Workers have not had their demands met. Many have been forced to compromise by political elites, leading to a strengthening of internal and exterior embeddedness.

This phenomenon has reduced the possibilities for workers to participate in politics. This exclusion of workers from institutionalization and legalization raises concerns regarding Taiwan's democratization, leading to an inability to have equal relations between workers and capital.

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1. Introduction

Taiwan till present remains trapped in an undefined and uncertain national status, with an anachronistic Constitution and an inconsistent political and legal system. The source of this is in its recent history. In 1895 Taiwan was ceded by the Qing Dynasty to Japan as a result of its defeat in the Sino-Japanese War of 1894. The Qing Dynasty was overthrown in 1911 and replaced by the Republic of China (ROC) governed by the Chinese Nationalist Party (Kuomintang or KMT), which claimed Taiwan following Japan's 1945 surrender in World War II. But the ROC was itself defeated in 1949 by the Chinese Communist Party, and retreated to Taiwan. Though lacking a completed legal transfer of sovereignty³, the ROC government occupied and retreated to the territory of Taiwan, where it declared martial law and set its purpose as "recovering the Chinese mainland".

This political aspiration, with the passage of time, was found to be futile; ROC rule was limited to Taiwan and the nearby Pescadores in the Taiwan Strait, plus some small islands off China's coast.

The one-party rule of the KMT eventually faced the pressures of its fading legitimacy, as well as demands for democratic self-rule by the native population. It could only grudgingly and gradually accede to liberalization and lifting of martial law. The outcome has been that there have been, belatedly, three changes of ruling party presidency through the ballot box, in 2000, 2008, and now in 2016. But although the KMT itself seems to have been swept into the dustbin of history, the anachronistic structure and conservative legacy of the Republic of China remains.

This simple macro-historical account sketches the transformations in Taiwan's political and social structure of the last hundred years.

On one hand, Taiwan has moved step-by-step towards democratization, in line with international trends. But on the other hand, if we take a micro-historical view of Taiwan's contemporary civil society, we may be surprised to find that Taiwan's working class faces low and stagnating salaries and long working hours. There seems to be a relationship, but also a contradiction, between this difficult conundrum and the process of democratization, such that we cannot avoid wondering what the origin of this condition is.

Taiwan is an island, and its relative geographical isolation in the ocean as well as the autocratic nature of its rulers have created the closed-off and conservative character of its people, even as its working class has in the last century passed through two major restructurings of society and culture. From the semi-feudal, dictatorial period of martial law, to the present stage of democracy, Taiwan has

³ After World War II, it was a continuing matter of international dispute as to whether the Republic of China or the Peoples' Republic of China was the rightful representative of the Chinese government; so when in 1949 the Republic of China government retreated to the island of Taiwan, the legal international order in post-war Asia concerning transfer of territory and sovereignty was still unsettled. In 1952 the ROC government signed a peace agreement with Japan, an agreement which expressly stated that Japan disclaimed any rights to Taiwan, the Pescadores Islands, and the Paracel Islands. This treaty was later repudiated by Japan when it established diplomatic relations with the PRC.

still been lagging in the experience of external stimulation and learning from international exchange.

Under this peculiar closed system, how has the political participation of Taiwan's workers moved ahead? What role have they played in the stages of Taiwan's history? Has the widening or shrinking of political participation by Taiwan's workers been predicated on their own volition, or swayed and directed by political elites and groups? And for this kind of political participation model, under what conditions has it formed, such that the sentiments of labor appear to be, or sincerely and gladly are, their own product?

Low salaries, long working hours, inequitable retirement systems, weak labor unions, overly cozy relations between government and industry —these phenomena which seriously impact the conditions of labor, how did they arise, and what makes labor powerless to repulse them?

1.1. The contemporary phenomenon of Taiwan industrial relationships

1.1.1. The nature of institutionalized work hours is actually the wage issue

From this perspective we can see that the achievements of Taiwan's contemporary democratization on the macro level do not definitely translate into the same advances on the micro level for all constituents of the society.

Even though the growth of Taiwan's whole economy over recent decades has exhibited stable progression, still, looking at the wages of Taiwan's labor from the micro perspective, the level of wages has actually continuously stagnated without real increase for over ten years.

However, real working hours in the labor market have been repeatedly increasing —wages have not risen, but at the same time number of hours worked have increased, which means that real incomes and quality of life have fallen.

To review the process by which Taiwan's working hours fell under regulation, in 1984 the Labor Standards Act⁴ was enacted; it stipulated two days off per week, and that working hours per week could not exceed 48. In 2001, working hours were shortened to 84 hours in two weeks; in 2016 the work week was further shortened to 40 hours.

From the gradually shortening work hours, it appears that Taiwan's labor market is following the international trend, and the regulations concerning work hours and overtime have achieved protection of the workers as part of the process of the whole society in democratization and advance of legal protections.

⁴ The Labor Standards Act (勞動基準法, a.k.a. 勞基法) was enacted in 1984 and detailed provisions were set the next year. The most recent version was passed on December 21, 2016, but still contains provisions that all or part of its protections have not yet come into effect. The Taiwan labor law still contains the exception that there must be a process of "first revise the law, then put into practice". This can be seen in the context that the Republic of China government after 1949 always claimed exceptions "during the period of communist insurgency".

But as can be seen in statistics provided by Taiwan's Ministry of Labor, in 2014 the average monthly work hours were 177.9 hours⁵, which means that total annual work hours would be 2134.8 hours, far in excess of the average of 1763 hours for OECD countries⁶.

According to a survey of work hours in the occupational workplace⁷, a survey likewise carried out by government organs, the Labor Standards Act does not appear to impinge on the actual conditions of the labor market: for example, 46% of workers experience extended working hours (overtime), and the average number of extra hours is 18.2.

The average number of work hours per day is 8.6 (including overtime), and the larger the scale of the enterprise, the greater the daily working hours.

28% of workers reported that within the last year they have been unable to adequately care for children or family, and the larger the scale of the enterprise, the greater the proportion of workers making such reports. 31% of workers reported returning home later than 10 pm because of work, and again the larger the scale of the enterprise, the greater the proportion of workers making such reports.

One worker interviewed⁸ had the following to say about working hours, from his own observation:

For workers, (the regulation of) work hours as short or long is not a matter of whether we will have enough time for rest or for spending time with family; it is rather a matter of whether through regulation of the working hours we get counted for working past the normal time, and get an increase of income due to regulation of overtime.

That is to say, the regulation of work time does not really mean that Taiwan workers are assured sufficient time off to recover physical strength or to spend time with family, but rather that they hope through working overtime, with overtime pay as stipulated by law, they can augment their meager salaries.⁹

So the regulation of work hours seems to have produced a paradox: that the shortening of legal normal week work hours has led to, in practice, longer work hours. For Taiwan society as a whole, it seems that there is a vicious cycle of "busier and poorer —and poorer and busier".

What is behind this is that legally-shortened work hours means that workers have a real increase in wages, and a real increase in wages means that the basic cost of labor increases; and what capitalists and entrepreneurs are most concerned about is cost of operations.

⁵ Republic of China Ministry of Labor, "2014 Labor Statistics Report", July 1, 2015.

⁶ OECD, "Average Annual Hours Actually Worked per Worker," 2014. According to this report, in the year cited German workers worked 1371 hours, French 1473, Greek 2042, Japanese 1729, and South Korean 2124.

⁷ Republic of China Ministry of Labor, "2015 Survey of Labor and Employment Life", May 31, 2015.

⁸ Author's interview materials from 2012.

⁹ Lee Ping-fang, & Lin Su-fang: Seven days' holiday has always been the case; workers seeking holidays is not laziness." *Taiwan People News*, November 16, 2016.

Aside from this, in Taiwan's labor history there has been a lack of equal status and cooperation between labor and bosses, as would be the case under a system of collective bargaining. So most labor is undertaken under the conditions of individual contracts between labor and management at the time of hiring.

With this background, it can be seen why both labor and capital choose to put forward their contentions in the political arena, at a time when the society faces the issue of regulation of work hours. Notably, in the year 2000 when three presidential candidates unveiled their platforms, the only plank that was undisputed was advocacy of a 44-hour work week. And the year 2000 was only the second time in Taiwan that the presidential election was determined by popular vote.

The legitimation of working hours in the Labor Standard Act, the so-called Working Hours Issue, was formally floated in 1980¹⁰ under the model of labor-capital-government participation, and formulated under a stated strategy recognizing that the three parties are both in competition and in cooperation.

The great influence of labor in the process of democratization can especially be seen in that the forces of labor utilized strategies of protest or alliance, or of refusing protest or alliance, as a form of political participation in every historical opportunity.

1.1.2. The cause of institutionalized income gaps is possibly the decoupling of industrial development and wealth redistribution

While the Working Hours Issue was an actual issue for wage package calculation at that time, it also should be understood in retrospect as an indicator that the expectation of democratization in the period of Taiwan's rapid economic growth—that is, redistribution of wealth—was not met; there was little effect in the direction of economic equality and justice.

According to the official statistics of Taiwan's Directorate General of Budget, Accounting and Statistics of Executive Yuan (DGBAS)¹¹, the degree of inequality in wealth in Taiwan has been stable for decades. In fact, during his presidency, Ma Ying-jeou stated that the wealth gap was the lowest in the past ten years; he attacked international research for the mistaken view that polarization was increasing, based on statistics on tax payments, and he also accused them of producing grist for the mill of ill-intentioned opposition to his rule¹².

It is an issue for academic study as to what is the best method to measure real polarization of wealth. But in recent years the development in statistical research

¹⁰ This was proposed on August 10, 1980, by Chao Shou-po, then chairman of the Executive Yuan's Council on Labor Affairs. This was the first time that the government had taken a position on working hours and a two-day weekend. Chen Cheng-cheng and Hsu Kuo-kan, *Legal Systems of Labor Unions in the 1980's*, Council on Labor Affairs, 2011, Taipei.

¹¹ The Directorate General of Budget, Accounting and Statistics of the Executive Yuan, one of the five major branches of the ROC government.

¹² Chen Yo-jen, "According to Ma Ying-jeou, Taiwan's wealth gap is the smallest in the past decade." *Apple Daily*, August 26, 2014.

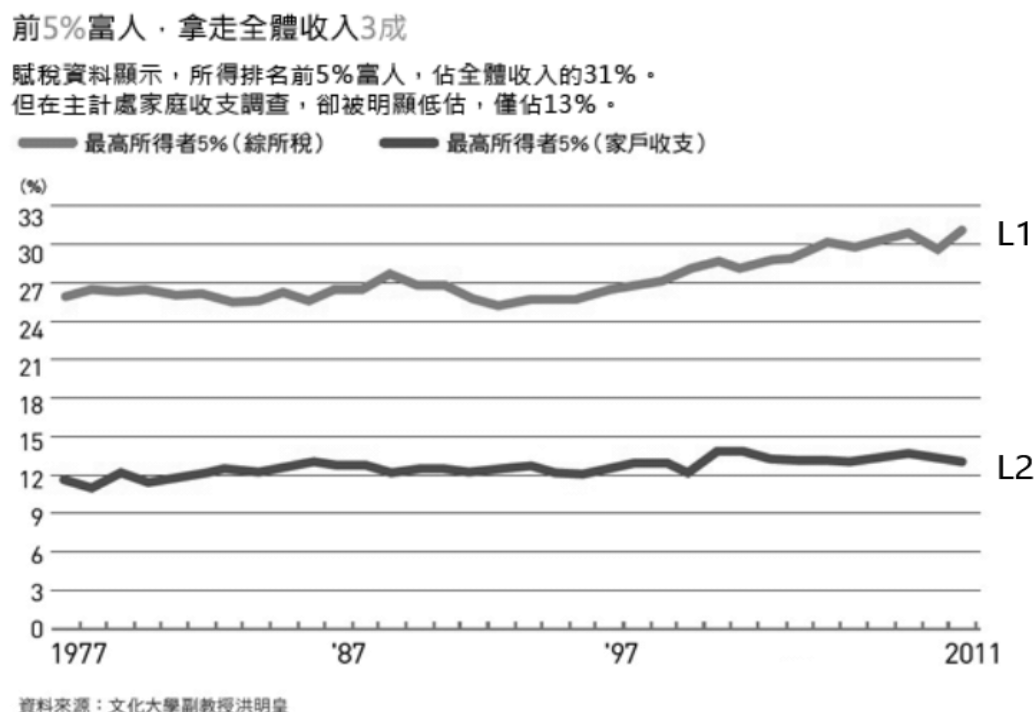
has been that using tax payments as the starting materials for analysis has a certain explanatory power¹³.

An article in *Commonwealth Magazine*¹⁴ entitled “A New High is reached in Taiwan’s Polarization of Wealth! The War of the 1% with the 99%” reviewed the analyses of Hong Wen-huang, Zheng Wen-hui, and Chen Jian-liang, Vice Chairman of the National Development Council. They pointed out that the DGBAS used a survey on household income as its material for evaluating wealth inequality, and that this was not able to reflect the actual increasing and serious polarization of wealth in Taiwan’s society.

According to the Report on the Survey of Family Income & Expenditure, carried out from the year 2000 on, the wealth gap between the top and bottom groups, whether measured in quintiles or in deciles, is not extreme and is slightly narrowing.

But if original tax materials are used as the statistical source, then it can be seen that the before-tax income of the wealthiest 5% of households is more than double the proportion of all income shown by the official figures. And for the highest income 1% of households, compared with the remaining 99%, the gap is the highest that has been seen in the last 34 years, and it continues to rise. The article provides the following graph:

Figure 1.1. : Contrasting estimates of inequality: The survey of family income & expenditure versus tax materials



¹³ Hong Ming-huang and Zheng Wen-hui, p. 50, in “Distribution of Income Shares of Top Incomes in Taiwan: 1977-2010”, *Survey Research: Methods and Applications*, no. 30 (October 2013): 47-95.

¹⁴ Chang Hsiang-yi, Wu Ting-feng, and Hsiung Yi-hsi, “A New High is reached in Taiwan’s Polarization of Wealth! The war of the top 1% with the bottom 99%”. *Commonwealth Magazine*, June 24, 2014.

Line 1: the richest 5% from the data of the tax materials; Line 2: the richest 5% from the data of the family income & expenditure. According to the tax materials, the richest 5% take away three-tenths of all income, in fact 31% to be precise. But according to the official survey of the Family Income & Expenditure, the top 5% only have 13% of all income, a marked underestimate.

Source: Chang Hsiang-yi, 2014. Provided by Hong Ming-huang.

Figure 1.2. : Measure of inequality through tax materials: Highest earners versus others



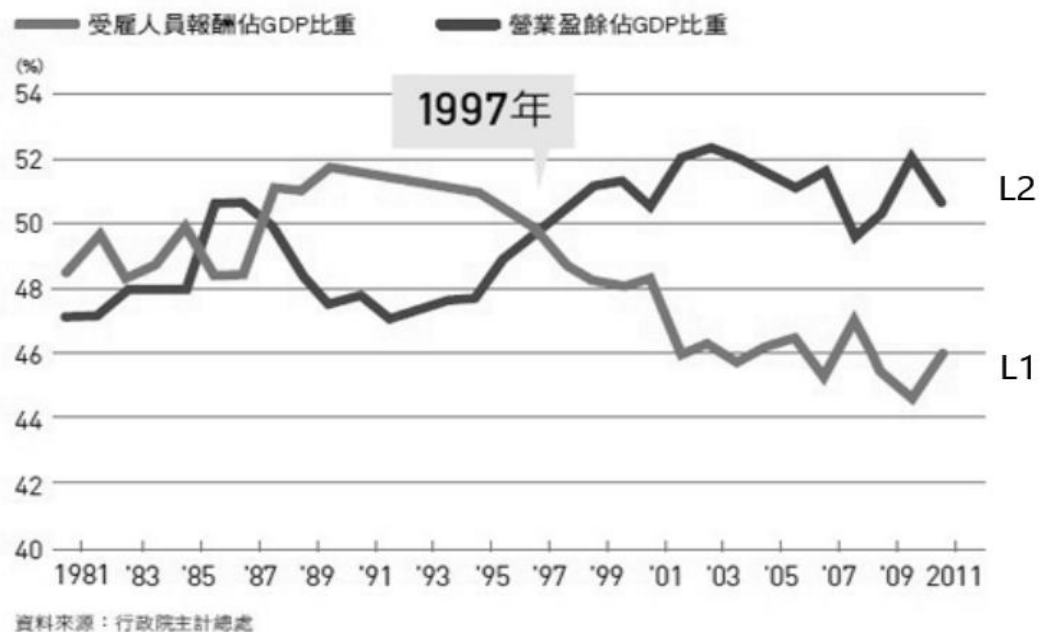
Line 1: the top 1% from the family income & expenditure; Line 2: the other 99% from the data of the family income & expenditure. The top 1% versus the other 99% —the income gap has reached a historic high. The difference between those at the tip of the pyramid and those lower down has gradually widened over the past 34 years. In the year 2011 it reached a new high, NT\$10.77 million versus NT\$0.78 million (US\$356,000 versus US\$25,830).

Source: Chang Hsiang-yi, 2014. Provided by Hong Ming-huang.

Figure 1.3. : Shares of GDP: Profit-seeking enterprise income versus the individual income

企業獲利升、薪資所得降，1997年出現黃金交叉

企業盈餘佔GDP比例，逐年提高，但薪資所得反而逐年降低



Line 1: the income of employees as a proportion of GDP; Line 2: the net income of enterprises as a proportion of GDP. The net income of enterprises as a proportion of Gross Domestic Product (GDP) has been gradually increasing, while the income of employees as a proportion of GDP has been gradually decreasing. This indicates that enterprises' profits is growing higher but the income of employees is meanwhile decreasing.

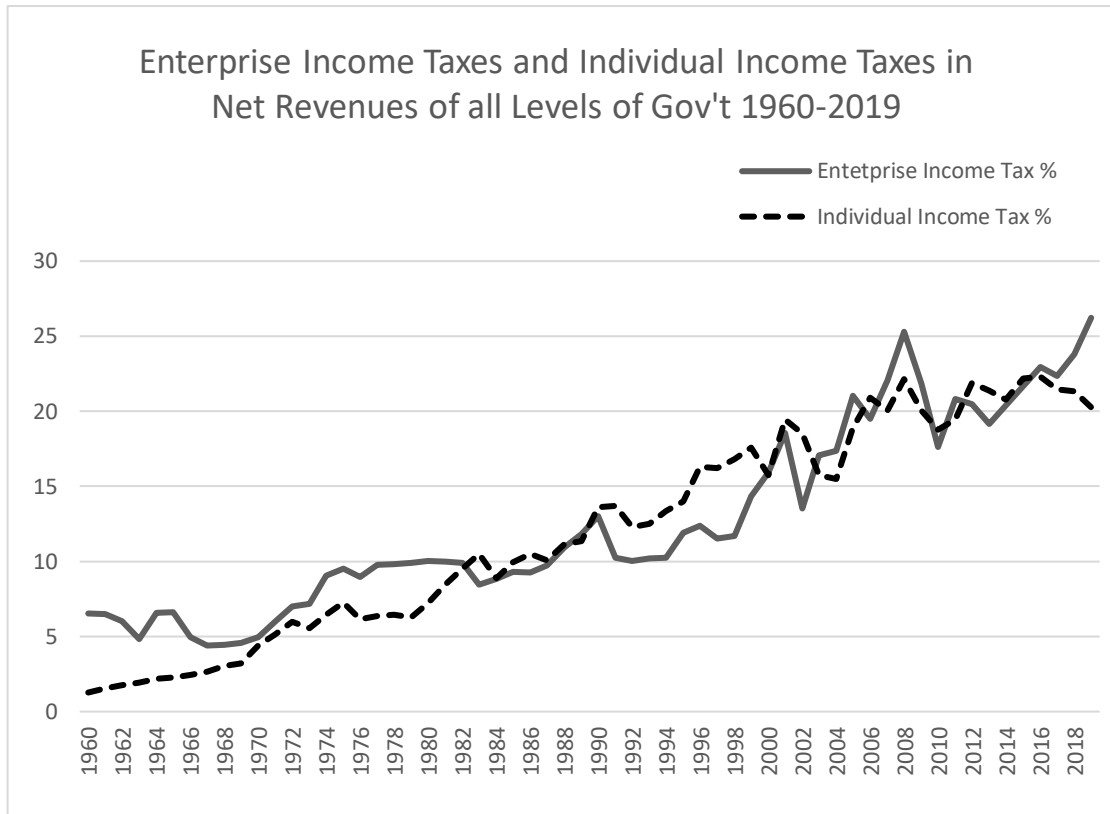
Source: Chang Hsiang-yi, 2014. Executive Yuan, Directorate-General of Budget, Accounting, and Statistics (DGBAS).

Comparing the data from official sources that are used in these reports with the Total Net Tax Revenue statistics¹⁵, we discover that business profits have increased rapidly as a proportion of GDP, while the total salaries of employees have decreased as a proportion of GDP, year by year, though both are the major components of GDP. But the revenues seen in both the Profit-seeking Enterprise Income Tax and the Individual Income Tax eventually become virtually equal proportions of total revenues (i.e. GDP).

In other words, the annual increase in the operating surplus of Taiwan's businesses is not fully reflected in their total income shown in tax receipts, and Taiwan's employees actually shoulder as much of the national tax burden as do businesses.

Chart 1.1.: Enterprise income taxes compared with individual income taxes in net revenues of all levels of government 1960-2019

¹⁵ National Statistics from the Republic of China Executive Yuan, Directorate-General of Budget, Accounting, and Statistics (DGBAS).



Source: Author's compilation, Executive Yuan, Directorate-General of Budget, Accounting, and Statistics (DGBAS).

The economic gap between rich and poor in the society could be relieved by redistribution of wealth; it might be anticipated that with the widening political participation of democratization, there would be an evening out of income in a process of developing legal mechanisms and standards.

But the analysis of the above materials shows that Taiwan's tax system, while on one hand it exhibits a high level of legal regulation and standardization, still on the other hand it coincides with an increasing wealth gap, and is ineffective in realizing redistribution —such that enterprises and individuals' salaries share about equal portions of the tax burden.

This implies that labor has had little or no power to participate in the process of legal regulation and standardization of the tax code, such that the present-day unjust tax system has evolved.

The ruling party criticized the trend of international statistics, thus thrusting Taiwan to "the war of the statisticians"¹⁶; it successfully diverted the issue of the increasing wealth gap to an obscure debate over statistical methods.

¹⁶ Since the 2014 article in *Commonwealth Magazine* reporting on the research of Zheng Wen-hui et al., Taiwan's statisticians, notably Dr. Chu Ching-yi of Academia Sinica, Taiwan's highest research institute, have written a spate of articles and debated whether the government's survey of household incomes or the taxation materials are the best measures of the wealth gap.

In 2016, the newly-elected legislator Huang Kuo-chang, formerly a researcher at Academia Sinica and in 2014 a leader of student protests against the KMT, questioned the Office of Statistics on the issue of wealth

The ability of the ruling party to channel the direction of public discussion manifested its intention to maintain the stability of its rule, and even more exposed the dilemma of the workers on this kind of issue that is crucial to their livelihood; lacking the support of academic and practical research, they were locked out of the arena of discussion!

1.1.3. The inflexibility of institutionalized society is founded in the prejudice against social strife

And Taiwan workers, in the process of forming alliances, have discovered that in the present social system that is highly regulated and specified, labor protests cannot have the slightest element of disregard for the law, or else the protest will lose “legitimacy” in the public eye, such that the protest will not garner the social support of public opinion—which is likely to lead to public irritation, and thence failure of the protest.

But the legal boundaries that constrain the possibilities of workers’ protests are usually just an extension of the explanation for the illegality of individual behavior; they do not apprehend the urgency of the workers’ struggle for a decent livelihood and the workers’ lack of alternatives to street action¹⁷. A woman worker who is a veteran of protests related the following¹⁸:

“If we didn’t have to take to the streets to demand the wages that the boss owes us, who would want to lie for long hours on an asphalt road baked to 40 degrees C? Suffering the agony of dehydration and burns? Going home, you still have to bear recriminations from your children: “Teacher says you guys shouldn’t block traffic and make hassles for other people.””

The Assembly and Parade Act of 1988¹⁹ has 35 items, with detailed stipulations and conditions for application in advance, such as applicant’s name, date and time, location, things to be carried, preparation for march monitors, social quiet, public sanitation, and even strictures against evading identification by police. The applicant must obey all these numerous regulations for behavior, or suffer punishment.

However, concerning the government’s protecting the right to demonstrate and protest, and its subsequent duty to uphold the social order, there is only Item 5, “Any assembly or parade held in compliance with the law shall not be encumbered with violence, threats, or other illegal means.”, and Item 24, “When an assembly or parade is in progress, the police may be present on the scene to maintain order. At the request of the responsible person of the assembly or parade, the competent authority shall have officers be present on the scene to regulate traffic and maintain order.”

disparity, and was attacked by Huang Shih-hsiu, a researcher at the NPF, a think tank of the Kuomintang Party. You would not have to waste ten minutes to understand the clash.

¹⁷ Hsueh Chih-Jen, “Civil disobedience in the view of criminal law”, *Law Journal of Academia Sinica* no. 17 (September 2015): 131-204.

¹⁸ Author’s interview materials, 2012.

¹⁹ The Assembly and Parade Act that is currently in effect was amended in 2002.

Therefore, when labor protests occur, the police generally just stand by when conflict breaks out between the two sides. And labor bears the brunt of public criticism, with a magnified impression of loss of social order, traffic disruption, the noise of shouted slogans, and litter on the streets.

The legitimacy of the protest movement is judged by the public in terms of whether the protest can be carried out as smoothly and as orderly as campus activity. “Bloodless revolution” in Taiwan has evolved into a stroll in the park or a sports match.

If any litter is left on the streets, the protest organizers are perceived as disrupters of society. If any blood is shed, the social movement will be immediately portrayed as a “riot” or “mob violence”, even if the blood is occasioned by police using physical force in dispersing the protest.

With the government and society scrutinizing every event of the labor movement so closely, the laborers on the low rungs of society face opprobrium when there is any news report of smoking, chewing betel nut²⁰, speaking native Taiwanese dialect, or any other physical embodiment of their class that meets with negative social judgment. Social opinion will immediately turn against them, with no concern for what the movement is calling for, or the issue for which it is seeking social support.

A labor union cadre with long experience participating in organized protests in central and south Taiwan summed up his observation of the predicament of Taiwan’s labor movement as follows²¹:

“When I see a report in the news of protesting workers smoking, chewing betel nut, or speaking Taiwanese, I know then that this battle has been lost.”

Even though Taiwan is not a very large island, and the two changes of regime in the last century brought extensive transformation of culture, language, historical experience, and life habits, still there are marked differences between north and south Taiwan. The south is predominantly populated by native Taiwanese, while the north has relatively more mainlanders.

The south is occupied with agriculture and industry, the north with business, services, and the bureaucracy of the central government. The south mostly speaks native Taiwanese dialect, while the north mostly speaks the official Mandarin Chinese. The average level of education in the south is low, while the average level of education in the north is high. In the south wages and incomes are low; in the north they are higher. The cost of living is lower in the south, but higher in the north.

²⁰ Betel nut is the fruit of the areca palm, and when chewed it has a stimulant effect. It is especially used by truck drivers and those who must work for long hours. Chewers salivate profusely, creating a mouthful of red juice that must eventually be spit out. Chewers often leave sidewalks in Taiwan splotched with red that looks almost like blood, and so chewing betel nut is generally considered a lower class cultural behavior of the working class.

²¹ Author’s 2012 interview materials.

These differences between south and north Taiwan individually look like they would not be of much consequence or very pertinent, but in the labor movement, in combination, they have a strong and immediate impact.

The workers of south Taiwan with their lower incomes are unable to afford the expense of repeated trips to Taipei to air their grievances. Even if they are able to go north and launch their protest, they face the national media that largely speaks and broadcasts in Mandarin Chinese. If the workers interviewed speak native Taiwanese, the reporters, intentionally or unintentionally will only utilize a snippet of what the workers have said in their broadcast, or the reporters will simply give their own explanation, usually over-simplifying or even distorting the workers' appeal.

Compared with the capitalists' spokesmen or the related government agencies' officers speaking fluently in Mandarin and clearly explicating their positions or rebuttals, the workers are at a disadvantage.

Given the uneven playing ground of communications, the northern listeners often cannot understand what the protesters are seeking, and secondly with the gap in life experiences and habits the labor protests may even create a negative impression²² on the northerners, who may deride the external appearance and behavior of the protesting workers and complain about disruptions in their own life rhythm, without any real understanding of the issues per se.

Given such socialization of value judgments, it is problematic as to whether the labor movement can make its reasons for protest accurately understood, much less find related organizations for alliance.

Because the social discourse has such a huge impact on whether the movement issue can find resonance with its message, right from the beginning of a movement the leaders and participants are challenged in their capacity for strategic planning, to "design" the movement initiation and all the subsequent stages and targets.

Ho Ming-sho has explained that in the recent development of social movements in Taiwan, two entirely different movement strategies have emerged²³.

One movement strategy is to deliberately defy the law, as in the Dapu movement to resist land evictions²⁴. The other kind of movement strategy is to meticulously

²² Concerning how environmental, ethnic, and cultural factors have created historical and life style differences between north and south Taiwan, the reader can refer to a book by Yao Li-ming, *Maybe We Don't Have a Common Past, But We Can Certainly Have a Common Future*, 2016, Yuan Shen Publisher.

²³ Ho Ming-sho, "Civil movements and civil disobedience: Two strategies of Taiwan social movements, past and recent," *New Social Policy*, No. 30 (2013): 19-22.

²⁴ In 2010-2013 a long-lived protest broke out in Tapu Neighborhood, Chunan Township, Miaoli County; the residents opposed government seizure of their land by eminent domain and forcible removal from their houses. In this incident, the Miaoli County government acted on the fact that the agricultural land had legally been ordered confiscated, even while the farmers had not agreed to appropriation of their land. The last straw for the farmers was that the land was cleared by bulldozers when the rice crop was about to be harvested; their protest broke out. As a result of the extension of a road in the redesign of the development project, four households that had not agreed to the project were forcibly removed. After appeal, the Taichung Higher Administrative Court ruled against the Ministry of the Interior; i.e., the confiscation was not justified (Judgment No. 47, Appeal Geng Yi, 2012).

obey the legal boundaries, as in the “dressed-in-white” mass protest against the mistreatment death of military recruit Hung Chung-chiu²⁵.

Why do these opposite strategies of social movements emerge? The social movement is not just an expression of the dissatisfaction of the participants. Even more, it is a hope that by means of expression of this discontent, admittedly also emotional, pressure can be brought to bear on the authorities to rectify the defects in the system that have been the source of the discontent.

Therefore, the discontent must necessarily be channeled into some kind of participation within the political institutions.

But the form of this “some kind of political participation” actually is limited by the regulation and standardization of social movements, such that it cannot in the normal process enter into the political system.

That the social movement cannot achieve its demands does not just mean that the movement cannot come to a conclusion; it is further a pivot for escalating discontent.

Especially given the intentional or unintentional absence of government obligations to protect labor, obligations that could have been stipulated in the legal system, the effect of this regulation and standardization can be deduced from the following points:

- The relevant legal injunctions, at the time of legislation, were only formulated from the perspective of governance by the rulers; the government and the protesters are separate and opposing entities in this perspective, not symbiotic parts of a whole society.
- The onus of disturbing the social order is on the protesters, and the government has no duty to resolve the issue.

Especially when workers come from the south to the north of Taiwan to protest against the central government in the capital of Taipei, the Taipei City Government²⁶ and the populace of the north have a sense of territoriality, and unconsciously view the protestors as disrupters of the social order that have come from some faraway external place, even though they are citizens of the same country and subject to the same central government.

²⁵ In 2013, after the death of Corporal Hung Chung-chiu in military training, a protest movement arose because the military ruled that the cause of death was indeterminate, and shifting recriminations of legal blame. A crowd of over 100,000 marchers wearing white shirts marched in the name of civil education, demanding exposure of the real cause of death and human rights for those in the military. Subsequently, the public opinion set off by this movement resulted in a change in the legal system, that in non-war times military personnel would be tried with the same judicial prosecutorial system as civilians.

²⁶ There have been twenty-seven terms of mayors of Taipei, the capitol city, since 1945, including both mayors appointed by the central government and popularly-elected mayors; of these only five were not Kuomintang Party members. Especially in the sixteen terms since 1967, only three terms, non-consecutive ones, were held by mayors not in the KMT. Typically, if a non-KMT mayor were elected, he would be quickly replaced by an appointed one.

- Given that the onus of blame is on the protesters, the barbs of public opinion are sufficient to limit the impact of protest. So the government can naturally contain social protest at the lowest social cost, without facing resolution of the issue.

These are the reasons that Taiwan's workers are to a certain degree excluded from political participation, even if they are determined to carry out protest under Taiwan's regulated and specified social structure, especially through a process that is itself highly regulated and specified.

The workers can only impotently face the constraints of the highly regulated and specified environment created under the mutual influences of politics and society.

1.2. Has "institutionalization" in the process of Taiwan's democratization engendered the shrinkage of the labor movement?

Concurrent with the process of Taiwan's democratization, all of Taiwan has developed in the direction of an "institutionalized society". The emergence of a system of social regulation in the process of democratization has two aspects: on one hand, there is a system of laws and legalization with enforcement; on the other, there is a network of social habit and judgment of cultural values that manifest like a force of regulation.

Observing the aforementioned hurdles faced by Taiwan workers in the labor market, we cannot but arrive at the suspicion that the legalization and regulation engendered under Taiwan's democratization have, perversely, spurred the shrinkage of the Taiwan labor movement.

In other words, Taiwan's workers have in successive waves of social movements advanced the process of Taiwan's democratization, but under the political system and its operations in cooperation with other elements, the results the workers have obtained have not been as expected. In fact, the situation of labor could rather be compared to a riverbank eroding under relentless currents. This indicates that the political participation and effectiveness of Taiwan's workers are somehow, by some means, being neutralized by other social elements, such that the results of political participation by Taiwan's workers are negated. In order to elucidate this question, we must analyze the aforementioned obstacles faced by workers in the light of social structure, culture, environment, and political system, peeling back the layers one by one.

1.2.1. The complexity of the issue of labor in Taiwan's society in the interaction with other social elements

In this labor market with low salaries and long working hours, the work week as stipulated by law has at least two meanings, as follows: One, the Basic Labor Law speaks of its purpose as being "to provide minimum standards for working conditions, protect workers' rights and interests"²⁷. That is, by means of limitations on the minimum standards of labor, it assures that workers can continue to give a certain quality of work service while maintaining their physical

²⁷ Labor Standards Act, Article 1.

and mental health. A second purpose is “strengthen employee-employer relationships and promote social and economic development”²⁸, that is, to assure an economic circulation with benefits for both sides in order to achieve sustainable survival for all elements of society, specifically by means of a market mechanism, negotiated between labor and capital, that determines the level of salaries.

From this, considering the current unbalanced situation of Taiwan’s labor market, “long working hours” are the reason workers’ physical and mental health cannot be protected to allow them to sustain labor service; and “low salaries” are the reason the link in the chain of economic circulation through expenditures by workers is broken. In the end, will the social structure collapse?

Workers are a link in the circulation of the society’s economy. “Long work hours” cause workers to lack the objective social requirements to make sufficient input of their income to economic circulation through consumer behavior. Likewise, “low salary” also causes workers to subjectively be unwilling or unable to use their income in consumer expenditures that make input to economic circulation. This blockage of economic circulation to Taiwan’s private sector can be summed up in an old Taiwanese adage, “If there isn’t enough food to eat fresh, how can we put up any extra for the future by drying?” The effect could also be characterized as killing the chicken to get the eggs.

If in discussing the issue of working hours the repeated argument is that reforming working hours will cause the cost of labor to escalate²⁹, then that is intentionally ignoring that the consumer behavior of workers in their leisure time can produce an economic effect. The argument disingenuously reduces workers just to the product of their labor, under a regime of cost management. It is blind to the fact that in the hours outside of their working hours they have the potential to be consumers of others’ products. Through the economic result of shaving down workers’ incomes rather than allowing them a reasonable allocation, it unintentionally deprives them of the ability to consume the commodities of other enterprises.

This style of running enterprises with a short-sighted fixation on immediate profits might be simply chalked up to the selfishness of entrepreneurs, but that would be a simplification. It might rather be said that it covers up how the labor issue is connected with other elements in the economic society.

Taking Taiwan’s structure of enterprises as an example, according to the government’s 2015 White Paper on Small and Medium Enterprises³⁰, small and medium companies are the backbone of Taiwan’s industrial structure, and they number about 1.35 million, constituting 97.61% of all enterprises, and employing

²⁸ Ibid.

²⁹ Yang Xiwen and Song Yichang, “If labor recovers the seven days of vacation, the bosses say they will throw over the table”, CTS News, June 21, 2016. This report pointed out that the cost for all of Taiwan’s labor taking one day off would be a loss of about NTD\$9 billion.

³⁰ Ministry of Economics, Section on Small and Medium Enterprises, “2015 White Paper on Small and Medium Enterprises”, September 2015.

about 8.67 million persons, i.e. 78.25% of employed persons. But small and medium enterprises account for only 29.42% of sales, and only 14.62% of exports. In 2015 there were 93,000 new small and medium enterprises established. It is clear that the large majority of Taiwan workers are employed by small and medium enterprises.

And the bulk of revenue for small and medium enterprises is from the domestic market, that is, 87.38% of revenue; and domestic employment is dominated by workers with low salaries and long working hours. Every year there are over 90,000 small and medium enterprises established, but the total number increases by less than a quarter of the number of new establishments; by projection from statistics for 2014, this means that every year about 5% of small and medium enterprises go out of business. That implies that every year at least 459,000 workers find that their jobs are eliminated, or that they must seek new employment.

For these companies, going out of business may mean the owner has been operating the business inappropriately, or that there have been fluctuations in the economy and market; or it may be the case that the government has made adjustments or changes for transformation of industrial sectors; or the cause may even be the economic environment external to Taiwan³¹. However, the reason for their failure cannot be chalked up to the workers' providing an insufficient supply of labor resources. All the same, for the workers, they must bear the burden of finding new employment or facing the risk of employment, due to the failure of the business.

Taking this discussion further, retooling for a new career is not just a matter that must be taken up for the individual worker who has been displaced from a job. In order to reenter a field of employment, a job-seeker may have to invest in new professional skills or continuing education. Moreover, under the pressure of daily survival, some job-seekers may have to accept lower pay or work conditions, in order to improve their likelihood of being employed; and related to this, workers in small and medium businesses that are still in operation will in the labor market face downward pressures on their salaries. Given that 5% of small and medium enterprises go out of business every year, this means that not only the workers in those enterprises must seek new employment, but that the magnifying effect produced by labor market demand-and-supply will affect many more workers than those in the 5% of enterprises that go out of business.

Because most of the income of the operators of small and medium enterprises comes from the domestic market, on one hand they must struggle for survival in the fierce competition of the domestic market with weak demand, and on the other hand they face the government's fixation on GDP growth figures - the government favors large enterprises and rewards them with preferential investment policies.

³¹ An example of an external economic cause is the impact of China: In the two times that the Democratic Progressive Party has taken the presidency, China has quit talks on economic cooperation and has taken measures like decreasing the number of Chinese tourists going to Taiwan and limiting Taiwan products entering China, etc., in an attempt to cripple the Taiwan economy and industrial development.

This creates a system of competition among enterprises in which, just like the fluctuations in the labor market and the labor market system that workers face, operators of small and medium enterprises can only sigh, “We don’t have enough food to eat fresh, how can we possibly put up stocks for drying?”

Chart 1.2. : Number of small and medium enterprises

Year	Small and medium enterprises, number	Increase over previous year	New enterprises established in the year	Enterprises liquidated, estimated number	Percent of enterprises liquidated in year
2010	1,247,998	15,973	93,609	77,636	6.2%
2011	1,279,784	31,786	99,584	67,798	5.3%
2012	1,306,729	26,945	95,954	69,009	5.3%
2013	1,331,182	24,453	98,821	74,368	5.6%
2014	1,353,049	21,867	93,968	72,101	5.3%
2015	1,383,981	30,932	98,507	67,575	4.9%
2016	1,408,313	24,332	95,486	71,154	5.1%
2017	1,437,616	29,303	101,710	72,407	5.0%
2018	1,466,209	28,593	102,353	73,760	5.0%

Source: Organized by the author from the annual White Papers of the Small and Medium Enterprises Department, Ministry of Economics.

1.2.2. The limited participation of workers on the level of government administration and legislation

Given the complexity of labor issues, in Taiwan’s institutionalized social structure, workers can only enter the discussion of labor issues within a highly-regulated arena of labor. With the Ministry of Labor as the highest administrative body in the area of labor, it is the only path for the political participation of Taiwan workers within the administrative structure.

Continuing the above discussion, actually the field of enterprise operation deeply influences the local labor market. The governmental administrative bodies that are related to enterprise operation, such as, to list just those at the level of the central government, the Ministry of the Interior, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Education, the Ministry of Economics, the Ministry of Transportation and Communications, the Ministry of Culture, the

Ministry of Health and Welfare, the Ministry of Labor, the Ministry of Science and Technology, the National Development Council, and so on, are those government bodies and agencies that formulate and carry out the policies that shape and regulate the development of the various industries in Taiwan's society. Even though this developmental model generally directly shapes the labor market in the relevant industry, the political participation of workers is almost never seen when these government agencies are formulating policy; only the Ministry of Labor is seen to have a voice in the administrative bodies.

So, first off, when the Ministry of Labor faces off against the policies proposed by the other agencies, it is a question of whether it has sufficient research capacity to submit a report on how the policy, given the particular characteristics of the industry in question, will affect the labor market. Secondly, if the administrative process is already to the stage of inter-agency negotiation or Executive Yuan meeting, then actually most of the policies for industry development have long since been set, and it is hard to get any real reconsideration. Thirdly, even if the policy will affect the labor market, the Ministry of Labor is only one member of the whole administrative apparatus, and usually it can only accept the situation as given, and wait for individual workers to seek relief and then deal with the outcome.

This cutting off of the labor market from the regulatory system of the administrative agencies causes fragmentation of labor issues, so they only appear to be concerned with unemployment welfare measures for individual workers. The risk of structural unemployment³² is totally shifted onto the workers, so that the Ministry of Labor in the administrative system can only play the role of giving "relief" to the workers after the outcome of unemployment. The Ministry of Labor usually is just a rubber stamp in policy decisions; so no wonder the Ministry of Labor is often derided as the "Ministry of Capital"³³.

Talking from the process of Taiwan's economic development, when the traditional agricultural society was transformed into an industrial society, the early period of industrialization absorbed large amounts of the surplus labor in the agricultural labor market.

Much research in the discussion of this period of Taiwan's industrialization concludes that the policies of the government of the ruling party, the Kuomintang, spurred Taiwan's industrial transformation, and in fact were the main reasons for its success.

³² The usual definition of structural unemployment is that its main reason is change in the economic structure such that the original labor capacities do not match the needs of the market, leading to unemployment. This kind of unemployment in general arises because of change in the demand for labor; some scholars consider that the ultimate cause is that workers themselves have insufficient information on the economic market.

³³ In response to the report that a public opinion survey showed 85% support for the Ministry of Labor's proposed legislation for "one week, one holiday", Kuomintang legislators Li Yanxiu and Wang Yuming, etc., stated that they were suspicious of the correctness of this survey, and that the Ministry of Labor under the DPP had become the "Ministry of Capitalist Moves". This was reported in Tang Shi, *Taiwan People News*, July 11, 2016, "Blue Legislators charge that the Ministry of Labor has become the 'Ministry of Capitalist Moves'".

However, as industrialization has proceeded into the stage of post-industrial society, a central characteristic of the labor market is the technical expertise of workers. Industrialization deepens the dependence on workers with specialized technical abilities³⁴; but workers with more advanced technical abilities require a longer period of professional training, and the demands on them for self-investment through educational expenditure are greater, too. Moreover, their flexibility in retooling their technical abilities when the labor market shifts is more limited as well. Therefore, although their salaries are relatively high, their potential flexibility for changing careers is lower.

When one day the worker wakes up to the fact that the economic structure has changed, he finds that the technical abilities he has learned at great effort cannot be exchanged for a commensurate salary in the current labor market; he may easily become unemployed.

With the island-limited nature of Taiwan's economic development, often the operators of enterprises, much less workers, may not be able to grasp the information on changes in the external market. And often the main reasons for changes in the economic structure are not coming from the demands of internal or external markets or from product transformations, but from government policies for industrial planning.

The workers all the same have no capacity to participate in the political system when the policies are in the process of planning; and they take on a kind of introverted stance in a system in which they have insufficient information about the external market. So how can the risk of structural unemployment be blamed on the workers, saying that their skills are not matched to the market needs, or caused by their lack of news about the employment market? Why should workers swallow all the bitter fruits of unemployment? Even more, why in post-industrial society, with its needs for labor in technical specialties, should the workers who are preparing to enter the labor force need to make a huge investment of their own in educational expenses and time in order to learn specialized professional skills?

To take for example the "Two Trillion and Twin Star Development Program" of the Ministry of Economics in 2001; the government determined that semi-conductors, image display technologies, digital industries, and biological technology industries would be the star industries of the future. Therefore, it poured in a huge amount of resources and encouraged cooperation between industry and universities. But, unfortunately, in pursuit of economic growth and achievement the government mismanaged finances on a huge scale and expanded public expenditures with redundant investments. The outcome was excess capacity of industry, imbalance of the industrial structure, ineffective allocation of productive resources, etc., with the result that in 2013 the program was dubbed "The Four Great Catastrophic Industries"³⁵.

³⁴ Yang Zhou-song, "The problem of the tendency towards commercialization in Taiwan's higher education", *Association for Taiwan Educational Review* 1, no. 2 (2011): 31-32.

³⁵ Hong Chi-chang and Lee Kuo-cheng, "Taiwan economic dilemmas and industrial competition across the Taiwan Strait", *Mirror Magazine*, January 2014.

Workers in preparation in entering college select the fields of study that are popular then; each university has one-by-one set up a department of photonics and recruited students with visions of a labor market with high salaries. But after a period of employment, or even just when graduating, the student discovers that the cycle of industrial development has already peaked, and with a change in the government's industrial policy the industry has been systematically terminated.

Again, with the Ministry of Education's policy of educational loans as an example, designed to meet the need of post-industrial society for highly-educated workers, and also the aspirations of Taiwan society's parents that they can secure the careers of their children with education, the money and time put into education has been continually escalating. Not only has this become more of a burden than many young people can bear, it has become a heavy economic pressure on the average family.

In 1994 Taiwan's Ministry of Education expanded its loan assistance, which was originally targeted at poor households only, to a policy of general educational loans³⁶. At present the number of persons with educational loans has reached 940,000 as of 2016, which is 22.5% of college students. Of those with loans, 320,000 are still students (including those in vocational high schools), and the other 620,000 persons have already started careers. If we analyze the numbers by public or private educational institution, students in private schools taking out loans are four times as numerous as those in public schools, and the total amount of the loans is six times greater. Reports are that students in the private technical schools are predominantly from economically weak households.

Chart 1.3. : Educational loan applicants and loan amounts in 2014

	Public Colleges and Vocational Schools	Private Colleges and Vocational Schools	All
Students	59,798	241,866	301,664
Loans (in USD)	106,486,789	659,785,674	766,272,463
Loan per Student (in USD)	1,780	2,727	2,540

Source: Organized by the author from statistics of the Ministry of Education.

Because of the pressure of educational loans, it can be imagined that these workers in preparation, entering their careers for the first time, may, like the aforementioned workers suffering from structural unemployment, be compelled to accept lower conditions of employment, in order to improve their chances for employment. The attendant effect may be for workers in general to face a labor market with a downward pull on salaries.

³⁶ Lin Chih-hsing, "A discussion on educational loans in our country", *Education and Development* 27, no. 5 (October 2010): 87-94.

Added to this is the fact that most students in private schools are from economically less advantaged households, and the attendant effect may be that the economic pressure on their parents to pay back the educational loans may likewise cause them to accept poorer-paid work conditions; and through the magnifier effect of supply and demand in the labor market, those workers affected are certainly not just the students who took out the loans. Again, as above, this policy of educational loans sponsored by the Ministry of Education was arrived at by a process in which there was no discussion about labor issues or political participation of workers.

The results of inappropriate policy planning for a government administrative organ is probably just an evaluation report, or for appointed officials a change of venue for their career, or for civil service officials a transfer. But for the workers, an adjustment in the industrial structure brings the risk of unemployment, or instability in the labor market, and an impact that may influence their whole lives and even that of their progeny. The effect of the policies of the administrative organs on workers may be as pervasive as this. We might have the impression that a process of decision-making from which the political participation of labor is excluded may in fact even be an intentional result of the regulation by the political system.

Aside from this, from observing the process of formulating laws regulating labor among elected representatives, i.e. legislators, with the aforementioned work hours legislation as an example, we can compare how in every revision of the Basic Labor Law both labor and capital made detailed calculations of work time and payments. But if we start from the macro perspective of the intent of legislation and the circulation of the society's economy, then we can only understand if labor conditions of enterprise operation hours and working shifts are reasonable and normal if we work through the implications of related minute details such as day/night differentials in electricity rates, income taxes on businesses with abnormal hours, prohibitions on large trucks using the freeways on holidays and weekends, and so forth.

However, these related considerations and measures have never appeared at the level of discussions in the Taiwan legislature on labor issues, not to say measures for the purpose of protecting workers or even assuring sustainable development of the society's economy.

1.2.3. Obstacles to labor organization in the fragmentation caused by Taiwan's public and private agencies

While as early as the year 2000 public employees were given a five-day work week³⁷, i.e. Saturday and Sunday off, private enterprise employees till present still do not enjoy such working hours. Simply, there are two systems for workers, one for public employees and one for private enterprise employees. Taking the designation of "staff member" for example, in the two realms they have the same

³⁷ Executive Yuan, Directorate-General of Personnel Administration, "Measures for Implementing a Work Week with Two Days Off for Civil Service Personnel", October 3, 2000.

kind of work, but because the employer is different they exist in two totally different and unequal labor markets, different not only in salary, pensions, insurance, and welfare provisions, but even in working hours, vacation time, and income taxation.

The existence of these two different kinds of labor market does not only create two different worlds of life from the gap in working conditions; what is more important is that workers in Taiwan's public and private sectors have never been able to come together to cooperate on labor issues.

Taking the issue of 18% interest on savings accounts of military, civil service, and teachers (public employees)³⁸, workers in the private sector feel that this preferential rate is in each and every instance provided by government subsidy, and government subsidies are paid through taxation - and taxes on the workers in the private sector are the main source of government income.

To the contrary, workers in the public sector would say the preferential rate in their package of welfare has come from their own achievement in passing the national civil service examinations, which are extremely selective. Beginning July 1, 2005, the new government-managed system for individual pension accounts for workers in the private sector was instituted. This policy not only intended to resolve the previous problem of workers in the private sector, the danger that employers would not put sufficient funds aside for providing pensions, but it also anticipated that if government employee welfare could also be transformed to using the system of individual accounts, which allow pension savings to follow the worker wherever he may be employed, then there could be flow of workers between public and private sectors, and the phenomenon of fragmentation of the labor market could be resolved. This would stimulate a more united and complete labor consciousness for all workers.

However, even though the system of pensions for the private sector was promulgated over a decade ago, the pension system for the public sector is still using the old system of calculated paternalistic benefits, which provide significant perks. So not only is there still no flow between the workers in public and private sectors, they are still in active opposition to each other. The differences engendered by these different conditions of employment, systematically creating different identities, cause workers with similar economic status in the social structure to take on totally disparate social status, and dissects the labor market into two parts, public and private, that have no possibility for solidarity.

³⁸ In 1958 the Act for Preferential Savings Deposits for Retired Officers and Soldiers Land and Air Forces was implemented, and the following year it was expanded to cover civil service personnel and teachers. In this system for military, civil service, and teachers, i.e. all government employees, the preferential rate of interest on their savings was two or three times higher than market rates of interest. Beginning from 1983 the preferential rate was set at 18%. In following years the market rate of interest gradually declined, and beginning from 2009 it has been lower than 1%. The gap has been made up by the government and by the government-operated Bank of Taiwan, leading to unbearable losses for the Bank of Taiwan, which has repeatedly requested release from the burden. In 2010 the Central Government General Budget explained that 410,000 government employees were receiving the 18% preferential rate, and that in the coming thirty years this would increase the burden on government retirement payments by NTD\$5.8361 trillion (nearly USD 200 billion).

If we now focus on the Constitution of workers in the public sector, we can see that even though Taiwan began its industrialization in the Japanese period, the development of employer-employee industrial relations was limited to the private sector. But when the Kuomintang government came to Taiwan, it sought to stabilize the social situation of that period by touting Chinese culture, with its implicit feudal social distinctions of “scholar, peasant, laborer, merchant” - in which imperial employees in the past were most notably high-status scholars - and in which each was supposed to be content with his lot.

Recruiting of personnel for the public sector was governed by Section 85 of the Constitution of the Republic of China, to wit, “Examinations should be carried out by region, according to the quotas determined for each province.” So the system already made provincial origin the main basis for recruitment in examinations. This Constitutional regulation of civil service recruitment and the establishment of the Ministry of Examination as a significant branch of government enshrined in the Constitution can be understood as a lingering artifact of the imperial heritage of China, in which provincial jealousies loomed large. According to the research of Chang Li-hsueh³⁹, in 1948, the provincial quotas for the senior and junior civil service examination positions were Sichuan Province 50, Jiangsu Province 44, Shandong Province 42, etc., while Taiwan Province only rated 8 positions.

In the year of 1989, forty years after the ROC government was confined to a limited territory of control, the number of positions to be filled was 600, and the quotas were still assigned by province as before: Sichuan Province 50, Jiangsu Province 44, Shandong Province 42, etc., with those eligible for the provincial positions being persons whose identification cards and household registration listed them as of that provincial origin, that is, at least their fathers were born in the designated province in faraway communist mainland China with which until 1986 absolutely no contact was allowed. In 1989 the quota for Taiwan Province was 22. The Kuomintang government on one hand sought to maintain its political strategy of “legitimacy” as representing all of China at least in a symbolic figment of provincial representation, and on the other hand just because it needed legitimation in ruling its area of effective control, which was only the islands of Taiwan, Penghu, and also Kinmen and Matsu, small islands off the coast of China, so from 1952 to 1968, aside from the “national” senior and junior examinations, it also held special senior level examinations for “Taiwan Province”, in order to appear to redress the unfairness in the system of civil service recruitment by province⁴⁰.

These senior-level examinations for Taiwan Province, a kind of compensation, to some degree quieted frictions between native Taiwanese and mainlanders, and they also raised up some native Taiwanese who became prominent in the government, such as Lin Chin-ching, Lin Yang-kang, and Yang Pao-fa. But since

³⁹ Chang Li-hsueh, “History of the Changes in Recruitment by Provincial Origin in the Higher and General Civil Service Examinations”, *Ministry of Examination Forum 1*, no. 2 (April 1, 2011): 53-60.

⁴⁰ Hsu Hsueh-chi, “Another Route for Recruitment of Taiwan Talent: Taiwan Provincial Examinations on High and General Levels, 1952-1968”, *Taiwan History Studies 22*, No. 1 (2015), 113-52.

those native Taiwanese who were recruited in these examinations were preferentially assigned to civil service positions in the provincial government, and not to the central national government positions which were apportioned by province according to the national senior and junior examinations, this arrangement probably assured or maintained the “pure bloodline”, i.e. mainlander origin, of the central government civil service, with their loyalty to the “recover the mainland” ideology.

As shown in the research results of Luo Ming-ching⁴¹ on the systematic effects of provincial origins in senior, junior, and special examinations for recruitment to the civil service, during that specific early period, the process for examination and selection to the civil service gave a large factor of preference to provincial origin; and this gave an actual advantage to mainlanders. In later periods, the effect of selection by provincial origin became less and less important. However, in the baby boom after World War II, there was still a phenomenon that the descendants of mainlanders clustered in the public sector. From this it can be seen that the regulation of the labor market for the public sector came not from factors internal to the labor market, but was rather pushed and formed by external political and environmental factors. The impact of this was not merely to divide the workers of the public and private sectors, but even workers within the public sector were fragmented by provincial origin.

And within the realm of civil service, according to the explanation of Tsai Liang-wen on the structure of types and assignments of administrative civil service personnel⁴², aside from the staff of central and local governments and customs officials who are generally understood to be civil servants, the economic structure of the ROC government also includes police forces, transportation and communications workers, personnel of government-owned enterprises, finance and banking personnel, and educational personnel, etc.

For Taiwan under the rule of the Kuomintang, there were two sources of an enlarged public sector. The first was the directive of Sun Yat-sen, called the father of the Republic of China, that “As for all industries of a monopoly character, they should be operated by the nation.”⁴³ The second was that Japanese property in Taiwan at the end of World War II, no matter whether publicly-operated or privately-operated industries, were all taken over and reallocated by the Kuomintang government. Among those industries handed over to governmental agencies or to the Kuomintang Party to operate, the range included: petroleum, aluminum, steel and mining, electricity, fertilizer, shipbuilding, mechanics, paper mills, sugar, cement, construction and other production, banking, insurance,

⁴¹ Luo Ming-ching, “The Effect of Selection by Provincial Origin in the Provincial Quota System in Special Examinations at High and General Levels”, *Taiwan Economic Review* 31, No. 1 (March 2003): 87-106.

⁴² Tsai Liang-wen, *Personnel Administration: Discussing the Current Civil Service Examination System*. Wu Nan Publishing, 2014, Taipei.

⁴³ Chinese Academy of Social Sciences, Institute of Modern History. Sun Yat-sen, “How the Industry of China Can Develop”(October 10, 1919), *Full Collection of Sun Yat-Sen's Writings*, p. 135. China Books, 1981.

medical and other services, and movie theatres and cultural facilities - a total of 494 enterprises⁴⁴. These enterprises required a large number of personnel.

In late 1945 when the Japanese departed, Taiwanese society had already been under Japanese rule for fifty years. Native Taiwanese, because of language, work habits, and social culture, were at odds with the Kuomintang and the Chinese mainlanders. The so-called government and party-operated enterprises were staffed predominantly with mainlanders who came to Taiwan together with the Kuomintang government. This is also the ultimate source for the lack of possibility for workers in the private sector to form alliances with those in government and party-run enterprises, given the structure of the social culture.

1.2.4. Does the reality of injustice in Taiwan's regulated society force workers to accept political compromise?

In the most recent revisions to the Basic Labor Law concerning work hours⁴⁵, the stipulation of 84 regular work hours allowed in two weeks was changed to a 40-hour work week, while allowable overtime work was increased from 46 hours to 54 hours a month. The outcome of all the revisions was that not only did the number of holidays for workers not increase, but also the hopes of workers to increase their income through calculated overtime pay were dashed.

Let us look at the work hours issue from the long perspective of Taiwan's democratic development. In 2016 when the ruling party changed from Kuomintang to Democratic Progressive Party (DPP), the DPP faced the strike of the China Airlines Flight Attendants Union⁴⁶. In addition, in 2015 just prior to the presidential election, the DPP promised "two days off a week"⁴⁷; but then in 2016 the administration's Ministry of Labor incited conflict by proposing changing the work week to just "one fixed day off and one flexible rest day"⁴⁸ while cutting out seven national holidays.

⁴⁴ Ou Su-ying, "Mediation of Disputes Concerning Japanese Property in the Taiwan Provincial Assembly", *Taiwan Studies Research*, No. 18 (December 2015), 99-150.

⁴⁵ The revisions to Articles 4, 30, 79, and 86 of the Basic Labor Law were made public on June 3, 2015, and they went into effect on January 1, 2016. Article 30 is the one that contains the items that regulate work time.

⁴⁶ The Airlines Service Workers Union in Taoyuan, where the main international airport is located, set off a strike to begin at midnight, June 24, 2016. The protest was against China Airlines using Article 84, Item 1 of the Basic Labor Law to mean that their overtime work time would be counted as regular work time, to reach the company goal of decreasing operating costs. In the process of the strike, the central government, as a major stockholder in China Airlines, removed the head of the board of directors, Sun Hong-hsiang, and the general manager Chang You-heng. On the 24th a negotiation meeting was convened at the Ministry of Labor, and the airlines accepted seven demands of the union, and afterwards an agreement was reached and the airlines workers returned to work on the 27th.

⁴⁷ This promise was made by the DPP presidential candidate Tsai Ing-wen in her "2016 Tsai Ing-wen's Six Main Policies for Labor", issued November 29, 2015. "Tsai Ing-wen appears at the establishment of the All-Taiwan Labor Support Association, to proclaim six positions to raise the rights of labor", paper issued by the campaign headquarters office of Tsai Ing-wen and Chen Chien-jen on November 29, 2015.

⁴⁸ In 2016 the new Minister of Labor Kuo Fong-yu proposed a revision to the Basic Labor Law that was summarized as "one fixed day off and one flexible rest day", which was intended to serve as a transition to implementing a system of "two days off in one week". But actually in the revisions to the Basic Labor Law two revisions back, which was called "40 hour work week", the "two days off" was already indicated, but the problem was that a plan for how to implement it in the real labor market was lacking. Now, "one fixed day off and one flexible rest day" is actually a backwards step from "two days off". The so-called one fixed day off means that the business owner must give workers one day a week of rest, and must not give tasks

First, speaking from the process of the law revisions, it appeared that the demands of labor, even after they had made a ruckus in the streets, would in the end have to go through the political system and reach legalization and regulation in a process of mutual opposition and balancing with other social groups. Second, speaking from the results of every stage of the law revisions, one cannot but be worried whether Taiwan's current system of representative government can actually reflect the demands of labor, or whether it can have any meaningful effect in the process of political negotiation with other interest groups.

Labor and capital in summation carry about the same amount of taxes, although labor is on the low end of the gap between rich and poor. While the victim in the imbalance of the system, labor all the same falls into the dilemma that it lacks the capacity to participate in the social discourse for resolving issues. It faces being led on by other social groups such as political elites, or blocked by obstacles created to limit its participation, or having its issues obscured and misdirected.

Indeed, the gap in society between rich and poor does not refer just to workers. Many relevant professions and subjects are involved in the process of regulation and specification, such as: statistical principles and digital analysis, national policy in medium and long-term economic planning, design of the tax system and legal code revisions - these continually challenge every element of society, as to whether a social consensus can be reached and active measures taken to resolve problems.

Still, in this political system, technical barriers can be raised to limit or even exclude the potential participation of workers. In an instant they may be met with "Everything will be administered according to the law"⁴⁹, as a legalistic rationale; or "Go to the back of the line and wait your turn" which is a way to force or threaten workers to accept given conditions under daily economic pressures. But from the perspective of sustainable continuation of society, this codification of laws and regulations produced without the participation of workers must in the long run create insufferable pressures on them, even to the point of social system collapse.

1.2.5. How the bias of the social culture can become a means to politically resolve labor issues.

to workers except in case of emergency. Moreover, workers have the right to refuse to work, and if sent to work must be given a full day's salary. And the worker must also be given the next day off, in compensation. For the so-called flexible rest day, it can be a work day, with salary counted as overtime, but there is no compensatory day off.

⁴⁹ In standoffs with the rulers, the answer that labor movements usually receive is, "The government will administer the matter entirely according to the law." The rulers overlook that the law system should be prepared to adjust to the change of the environment, and they only consider the letter of the law in legal implementation, and even evil laws are treated as law, so it is "rule by law" rather than "rule of law". For example, when in 2015 the Taiwanese company E Ink Holdings closed the factory it had bought in South Korea, Hydis Technologies, Korean workers came to Taiwan several times to protest. Within that time the head of the Hydis branch of the Korean Metal Industry Union, Pei Shin Jiong, committed suicide in protest, in Korea. When the Korean workers came to Taiwan, the Presidential Office stopped them in the name of "We are unable to receive foreigners". The National Immigration Agency deported the protesters in the name of maintaining public order and further warned airline companies that they might be fined, to make them refuse travel to protesters.

The concept of “social symbiosis” means that workers are an integral part of Taiwan’s complete society. But with the divergence of values and life experiences within Taiwan, actually there are multiple measures creating “class distinctions”—despite the long years of inculcating “Chineseness” as imagined by the Kuomintang through the educational and cultural systems; the paternalistic distribution of benefits by the economic system; the political ideology eschewing “communism” or even academic research on socialist thought⁵⁰; and the appearance of harmonious relations permeating all levels of society⁵¹.

Although the image has been created that Taiwan’s workers willingly accept low wages and have diligent dispositions, at the same time there has also been created a predicament that workers cannot reach mutual understanding with other portions of the society. The issues of differences among economic classes and social elements in Taiwan’s society cannot be faced and dealt with solely by labor alone. But what is obvious is that these differences shape negative valuations and discrimination. With workers at a relatively weak position in Taiwan’s society, these negative valuations inflict the deepest wounds on workers.

“As long as there is still money to be earned, Taiwan’s workers are so domesticated that they won’t protest in the streets. If they protest, it is because the Taiwan workers have problems getting even their basic warmth and full stomachs. This kind of social consensus perhaps says that sympathy does not exist in Taiwan.”⁵²

The predicament that these Taiwan workers face to meet basic existence violates the universal values sought by mankind. That this happens in Taiwan society after democratization makes us voice a suspicion: Has legalization and regulation in the process of democratization, perversely, caused the labor movement to shrink?

The political transformation beginning from the 1990’s changed the path of political participation for Taiwan’s workers. The seats in the National Assembly and Legislative Yuan reserved for representatives of professions, including labor, were abolished. After the lifting of martial law, the rights of the people to form

⁵⁰ The Kuomintang lost out to the Chinese Communist Party in the struggle for China, and it was forced to move to Taiwan; from then until the end of martial law, as long as forty years, the Kuomintang took extreme measures to control communist and related thought. At that time, although communism had raised heated theoretical discussions on human society and capitalism, extending to labor movements and unions, Taiwan academia was not allowed to participate in such discussion, and even less could workers rely on such ideas to help them form a workers’ consciousness. How this reason was shaped by the control of one party, and how it affected the consciousness of Taiwan’s labor and movements, will be discussed in this thesis.

⁵¹ For example, “the national language”, Mandarin Chinese, was used for education, and was the only official language; use of all other languages was forbidden. In high school and vocational school education, more subsidies were given to high school students and teachers; technological departments were favored over humanities departments; and the main goal of high school education was to pass examinations for medical studies in college. This was even more the case in the relatively-disadvantaged south of Taiwan. The national examinations for the civil service and the system for government recruitment to military, bureaucracy, and education were actually the same in nature as the scholar cliques of the feudal past. From the view of those cultivating national manpower, those who had been selected through the system step by step were the real workers to be valued. So the saying, “If you don’t study hard, when you grow up you will be just a manual worker!” became the most often heard adage in education, reflecting the real situation in society and the underlying social sentiment that labor of course should only get low salaries.

⁵² 2012 interview by the author.

organizations were restored, and labor protests became the axis of the social movements of that time. The principle of freely-formed labor unions and the lifting of the ban on formation of political parties made it possible for labor to organize political parties.

But the subsequent political reforms led Taiwan society to treat labor issues as a matter for the government to manage and channel, in principle; and under government guidance of social discourse and expectations, there was rapid movement towards the sphere of law and codification, as well as regulation of social movements. The body language of protest for workers and labor protest actions gradually were seen in a different light in social values and opinion, and were perceived as vulgar, uncivilized, or even as violence that disturbed the social order.

Especially with Taiwan's economy oriented towards exports and with economic and financial policies overly concentrated on the stock market, the labor movement was seen as contrary to the catchword and exhortation "The people should go all out for the economy!" With democracy just emerging from martial law and bringing with it legal codification and regulation, the government of Taiwan, consolidating its rule, set out the worst target: codifying and regulating labor relations in order to attract foreign investment and avert flight of domestic industry. Even before Taiwan workers had been able to expand their political participation under the process of democratization, their voices were gradually silenced as the government and the capitalists heeded the threats of the global market and the China factor.

This "renewal" of legal codes and regulations through the political system over the last thirty years, because it limits the political participation and potential of labor to the greatest degree, has gradually caused Taiwan labor issues to be excluded from the mainstream voice of Taiwan's society. Is this because the legal codification of Taiwan labor issues has relegated all to the effect of "all will be administered according to the process of the law"? Or is it rather actually the case that in the process of the social system seeking legal codification and regulation, the development of the labor movement is blocked?

In general, it is believed that Taiwan's current democratization, with Taiwan's polity undergoing several changes of ruling party, especially with elections being held regularly at several levels and peaceful transitions, has been a process that is in accord with the procedures and expectations of a modern democratic nation. In fact, in the Transformation Index BTI, Taiwan was rated as top 3 among 137 nations observed undergoing democratic transition⁵³.

The results of this evaluation, especially in comparison with others in the circle of Greater China culture, such as the Peoples' Republic of China, Singapore, Hong

⁵³ In the Democracy Index of the Economist Intelligence Unit for 2019, Taiwan was ranked as 31st among 167 countries, and third among Asian countries. For the 2020 ranking on Freedom in the World by Freedom House, Taiwan was judged to be free. And in the second biannual Transformation Index of Bertelsmann Stiftung, in 2020, Taiwan was ranked 3rd among 137 countries in the political transformation, 2nd among 137 countries in the economic transformation and 2nd among 137 countries in the government index.

Kong and Macao, or in comparison with other nations on the same continental region such as Japan, Korea, Malaysia, Vietnam, and Laos, lend themselves to Taiwan being roundly applauded. But if we peruse every item of this index carefully, as seen in the report of the Economist Intelligence Unit, we can see that in the five aspects in which Taiwan is ranked, its scores for political culture and political participation are the lowest.

These lower scores must astonish us: how can low political culture and political participation accompany high civil liberties and high electoral procedures? Political participation is of course not just voting behavior and procedure; civil liberties logically should have a certain relationship with political culture. What has created this markedly divergent pattern in the five aspects of the ranking? Taiwan's society must have some crucial hidden factor that must be ferreted out.

When we explore the ultimate reasons for the distortions in the process of Taiwan's democratization, as well as the structural political change created after each transition in ruling party and the remolding of the political system that is concomitant with that, we must ask, does this structural change meet the expectations of the original hopes for change? Looking at the low scores for political culture and political participation, the answer is not quite apparent.

Chart 1.4. : Scores for Taiwan (Republic of China) in Democracy Index 2019

Rank out of 167 countries	31
Average Score	7.73
Electoral process and pluralism	9.58
Functioning of government	8.21
Political participation	6.11
Political culture	5.63
Civil liberties	9.12
Category	Flawed democracy

Source: Excerpts from Democracy Index 2019.

It is clearer to say that from the perspective of labor, either the general working class that in the early period of the Taiwan democratic movement supported the opposition movement, or the workers in Kuomintang government or party enterprises that are seen as "labor aristocracy⁵⁴", both actively supported their own preferred parties through voting in elections. The impetus and effect of this kind of participation on Taiwan's political system is startling.

⁵⁴ Ho Ming-Sho, *Working Class Formation in Taiwan: Fractured Solidarity in State-Owned Enterprises, 1945-2012* (Palgrave Macmillan, 2014).

But we must still ask, why did these two separate kinds of workers with their political participation and activeness and influence, still stop just at the level of supporting their particular political parties in elections during the political evolution and change of ruling parties? Why did they not go a step further and enter into the political and social systems in the processes of legal codification and regulation? And why did the labor movement, which is another form of the political participation of workers, in recent years' developments lose the attention of the public, and gradually disappear from the main stage of social change, the social movements?

Besides this, we discover that the labor movement, which was the main force of social movements in the past, while it has been subject to legal codification and regulation that governs issues of dispute and working conditions, even further has its form and criminal liability strictly regulated? By comparison, the owners of industry and employers, who are just as central in industrial relations, indeed are not subject to the same degree of legal codification and regulation. So in recent years, and the more so the more recent, the labor movement has increasingly exhibited actions in individual factories and in the direction of small masses of workers; it is increasingly less likely that there will be cross-factory actions, or solidarity actions crossing industries and regions.

Thirdly, those in the labor movement also consider what remedy is faster and safer. Rather than trying to force industrialists or employers to the bargaining table by means that might be called a crime such as "hindering personal freedom of movement", or leading to an extended civil process in which the worker can only faintly hope for belated justice, the workers are more likely to seek government agencies which can serve as a scapegoat for the industrialists or employers, and think how they can get economic benefits from this such as compensation for damages suffered.

These kinds of developments look as if they reflect positive results in legal codification and regulation achieved in the process of Taiwan's democratization. However, they also must produce some suspicions: If these results cause industrialists and employers in labor-industry relations to be able to pass off their burdens to government agencies, why should such unreasonable transmission of responsibility happen as if reasonable, and why should it be accepted by Taiwan's society as if reasonable?

The above various kinds of phenomena lead to a core question: How has the political participation of labor, in the process of Taiwan's democratization, advanced such that the manifestation of resolution of labor issues is as we see it today? Even more important, is the emergence of this style of participation consistent with the trajectory of democratic development?

1.3. The political participation and actions of Taiwan labor

1.3.1. Labor issues have joint characteristics of effects on economic development and social movements

A mainstream perspective on analysis of industrial relations, especially from the viewpoint of governance and the contribution of workers in economic development, is “Corporatism theory”⁵⁵. Modern research on the relationship between Taiwan labor and society would say that Taiwan’s workers are diligent, obedient, and guileless; and under the influence of a Confucian and paternalistic ethic actively promoted through the strong leadership of the Kuomintang, the post-war “economic miracle” (Gold 1986; Haggard 2004; Yeh Wan-an 2009; Chu Wan-wen 2009) of Taiwan has been generated.

Another mainstream perspective looks at the development of social movements, and emphasizes the active consciousness and political participation of Taiwan labor: Taiwan’s workers not only threw themselves into struggles with employers in their workplaces in concern for their own working conditions, but also from the beginning stage of the democratic movement in the 1970’s, they united with the opposition forces and played an important role in the process of democratization. So Taiwan’s miracle is not just an “economic miracle”, but also a “democracy miracle” (Hsiao Hsin-huang Micheal 1990; Schubert 1994; Chu 1996; Chang Mao-kuei 1997).

Corporatism theory emphasizes analysis of political control. It notes that the ruling Kuomintang government, after losing the civil war with the Chinese communists, met challenges one after another - evacuating to Taiwan, Korean war, Vietnam war, withdrawal from the United Nations, breaking of diplomatic relations with the United States, the oil crisis of 1975, etc., but was still able to achieve an advantage in long-term rule over Taiwan.

The reason for this was as follows: The policy of planned economic development on one hand absorbed the surplus labor produced by population growth, and on the other hand U.S. AID⁵⁶, habits of high savings rate by the populace, and suitable policies for financial adjustment, etc., caused Taiwan to maintain a high rate of economic growth from the 1950’s through the 1980’s, and because of this, workers also obtained continual rises in wages and standard of living⁵⁷.

Although in this period Taiwan’s workers occasionally had labor disputes, but speaking from the results, the appearance of Taiwan labor in this period was that it accepted economic benefits of livelihood in exchange for its loyalty and political freedom. Thus, the conclusion has usually been that this polity was effective, and that it can be a good example for other nations undergoing democratization.

But this narrative certainly deliberately disregards the effect of a historical reality: the martial law rule implemented by the Kuomintang on Taiwan did not allow

⁵⁵ Concerning the structure of Taiwan’s labor system, many scholars are of the opinion that Taiwan’s industrial relations have considerable characteristics of an integrated system, among them Ting Jen-fang, Wang Shih-jung, Wang Hui-ling, Wang Chen-huan, Fang Hsiao-ting, Lee Yun-chieh, Chu Jou-juo, Hsu Cheng-kuang, and Huang Yueh-chin.

⁵⁶ From 1948 through 1965, the United States supplied to Taiwan many kinds of assistance, including funds, basic foods and goods, military assistance, education and engineering, etc., both through direct assistance and through loans. Taiwan finally cleared its debt in 2004.

⁵⁷ “Taiwan’s economic miracle - a Singapore Perspective”, Lim Chong-Yah, p. 38-56, in *Essays in Honor of Professor Shinichi Ichimura: Economic Development in East and Southeast Asia*.

workers an equal position with capitalists in which to mutually clash and come to accommodation. As Wang Chen-huan and Fang Hsiao-ting pointed out in their joint article on their research project, before the end of martial law, martial law superseded the labor laws; after the end of martial law, the state, on one hand, still used security measures to repress unions, and on the other hand used the pretext of ongoing revision of the labor laws to constrain industrial civil rights, and decrease the possibility of mass actions by workers⁵⁸.

The new Republic of China established rule by Constitution, but no matter whether it was the promulgation of the 1912 Provisional Constitution of the Republic of China, which at the time considered Taiwan part of Japanese territory, or the currently-effective 1946 Constitution, constitutional rule has been more honored in the breach. Because of the Sino-Japanese War, World War II, and the Chinese Civil War, the Taiwan representatives were unable to be voted in through a regular electoral process, and they were felt lacking the legitimacy of those produced by a general election. Under the onus of defeat by the Chinese communists, the Kuomintang government on May 10, 1948 issued the Temporary Provisions Effective during the Period of National Mobilization for Suppression of the Communist Rebellion, and on May 20, 1949, it further declared martial law. Its stated strategy was to use the island of Taiwan as a base for the recovery of its rule and return to China.

This political goal of “retaking the mainland” was set as paramount over all other missions, and was epitomized in the governmental slogan “First year, prepare; second year, reattack; third year; overwhelm; fifth year, triumph.” Taiwan society has been under fifty years of Japanese rule, and had long since diverged from its Chinese cultural origins, with differences in culture, legal habits, social custom and even in language, etc. Not surprisingly, there were to be serious social conflicts when the Kuomintang government took over this new territory.

Through militarized management and measures of high repression, the Kuomintang government reorganized, regulated, and suppressed Taiwan society across the board. Taiwan’s workers faced rulers and capitalists who spoke a different language and had different business customs⁵⁹. Originally in the period of Japanese rule Taiwanese workers had advanced in Western-style industrialization and gradually forged modern industrial relations. But trampled under these overpowering forces of repressive regulation, the previous industrial relations were totally eliminated.

1.3.2. Systemization in the process of constitutional revision

During the long nearly forty years of martial law, the Kuomintang government directed its exertions to maintaining the orthodoxy of its rule, rather than maintaining the legitimacy of its constitutional rule. In order to replicate its

⁵⁸ Wang Chen-huan and Fang Hsiao-ting, “State Apparatus, Labor Policy, and Labor Movements”, *Taiwan: A Radical Quarterly in Social Studies* 13 (November 1992): 1-29.

⁵⁹ In contrast to Japanese culture that emphasized social strata positions, Chinese culture called on “connections” (關係 *guanxi*) in social relations.

imagined image of a future united China under Kuomintang rule and uphold its legitimacy, it needed a constitutional structure that retained the constituent representatives of the thirty-five provinces that it actually no longer controlled. The number of those representatives far exceeded the number for Taiwan, i.e. the territory of Taiwan, Penghu, and the offshore islands of Kinmen and Matsu that it did actually control.

This need was met by martial law, freezing of regular elections for central and local officials, and indefinite extension of the terms of the president and constituent representatives elected in mainland China in 1947⁶⁰; this actually created more of a problem for legitimacy, one that deepened as time passed.

Although in the period of martial law Taiwan was under control of the military, still demands for the cessation of martial law and full re-election of the national representative bodies rose higher and higher. Following the Chungli Incident of 1977⁶¹, the Meilidao Incident (Kaohsiung Incident) of 1979⁶², the Green Action of 1986⁶³, and escalating cries for the end of martial law, in September 1986 opposition figures formed the Democratic Progressive Party⁶⁴. Then in 1987 President Chiang Ching-kuo finally announced his order to end the martial law order⁶⁵. At the end of the same year, the prohibition on visiting mainland China⁶⁶, notably to see long-separated relatives, was also lifted.

In 1988 President Chiang Ching-kuo passed away, and his Vice President Lee Teng-hui, succeeding him as stipulated in the Constitution, became the first

⁶⁰ After the implementation of the Constitution in 1947, the first national assembly, Legislative Yuan, and Control Yuan were elected. Because of the war with the CCP, it became impossible to hold regularly scheduled elections. Elected representatives were only voted upon again in 1992, with the unelected national assembly known as the "Thousand Year National Assembly." For more, see Yang Yu-ling, "Da faguan di erliuyi hao jieshi yu woguo xianzheng fazhan [wannian guohui] de xingcheng yu zhongjie," *Xianzheng shidai* 23, no. 1 (1998): 3-21. Also see, Zhang Shi-Xian, "Cong wannian guohui dao quanmian gaixuan - taiwan minzhu hua guocheng de yige mianxiang," 2010.

⁶¹ That year in Taoyuan, it was found that the KMT had stuffed the voting box with fake ballots, leading to the first demonstration by the Taiwanese people against the KMT during this period.

⁶² A clash broke out with police during a demonstration on December 12th organized by Formosa Magazine to call for an end to martial law. After the incident, a number of arrests took place, which were sent to military trial.

⁶³ As pushed for by Nylon Deng, the key demand was to call for the lifting of martial law and a return to freedoms in the Constitution. Deng self-immolated himself in 1989 when police were attempting to arrest him. Chan I-hua, a participant in the farm labor movement, self-immolated himself at Deng's funeral afterward.

⁶⁴ Also known as the DPP. The DPP was formed as an organization out of participants in the dangwai movement, seeking to break the one-party system set up by the KMT. The DPP itself had a structural dispute when it founded, reflecting many of the political shifts that took place afterward, once it achieved its original goal of breaking the one-party system.

⁶⁵ Important laws passed during the martial law period included, "Regulations to prevent Illegal Assemblies, Associations, Protests, Petitions, class strikes, market strikes, etc. During martial law", the "Martial Law Period News, Magazine, Library Regulation Act," "Punishing the Armed Rebellion Clause," and "Civic Guilt Guarantee System," and thirty other related laws. Taiwanese society was under military rule during this martial law period; even when going abroad, individual liberties, press freedoms, and freedoms of speech, were limited, creating a situation like George Orwell's 1984.

⁶⁶ From when the KMT came to Taiwan, there were there important prohibitions on relations with China. "No contact," "no negotiation," and "no compromise." Official or civic ties with China were forbidden, including letters, business, or shipping. The lifting of this prohibition was a response to domestic calls for liberalization, leading to questioning of how China-related issues were to be viewed. Subsequently, there was the starting point of being allowed to visit relatives in China, from which from human exchanges came needs for trade, shipping, and official business.

Taiwan-born president of Taiwan⁶⁷. In 1990 the March student movement⁶⁸ demanded re-election of the national representative bodies. In 1991 the Constitution underwent revision for the first time; the same year the Temporary Provisions Effective during the Period of National Mobilization for Suppression of the Communist Rebellion were rescinded⁶⁹ and the National Assembly underwent re-election. In 1992 the National Legislature was finally subject to re-election, with candidates all representing Taiwan's localities only. So in a five year period the election system supposedly representing Great China was transformed into what could be called "nativization".

That the transition of a bloodless revolution could be achieved in a short period of five years is enough to make many scholars of democratization feel exhilarated. But if we scrutinize whether the quality of democracy hastily realized in such a brief time is adequate, then we cannot but have some reservations, especially considering the abolition of seats reserved for occupational groups in the National Assembly and Legislative Yuan⁷⁰. Actually, this decisively cut off the direct path for representation of workers and their political participation.

According to the stipulations of the original Constitution for occupational group seats in the National Assembly and the Legislative Yuan, these included representatives of labor. The revised Constitution after the end of martial law removed the seats reserved for occupational groups. Labor representatives were in these two periods present in these highest bodies of representative government, an arena of political interaction, and even participated in the re-writing of these important documents that limited the industrial civil rights of workers; what kind of social atmosphere led labor representatives to accept these "reforms"? Or were these labor representatives not really labor representatives? Then why did these positions exist in the system of representative government?

After revision of the Constitution, Taiwan's central representative bodies were reduced from National Assembly and Legislative Yuan to mainly Legislative Yuan, since the National Assembly was frozen in function, with members only to be elected just before future major Constitutional revision. Moreover, seats for occupational groups were eliminated in both. So the channels for workers to participate in the system of representation were dropped down a level, to the level

⁶⁷ Regarding the question of Taiwanese identity, when Lee Teng-hui served as president, he confronted pressure and distrust from the waishengren faction of the KMT. Given the demands for change in society, many policies had to be considered in terms of distribution of benefits, in order to stabilize the internal and external system. See Lee, Teng-hui and Yen-hsien Chang. (2008). *Leetenghui zongtong fangtan lu*. Taipei: Yun chen wenhua shiye gufen youxian gongsi. (李登輝、張炎憲(2008)。李登輝總統訪談錄。台北：允晨文化實業股份有限公司。).

⁶⁸ Also known as the Wild Strawberry Movement. Close to 6,000 students gathered at the Chiang Kai-Shek Memorial to call for political reforms. It is thought of as the most important student movement during Taiwan's democratization.

⁶⁹ The most important effect of "Mobilization to Suppress Chaos Clause" on Taiwan's political system was the freezing of the Constitution's restrictions on presidential term limits, the authorization of the president to set up an agency to carry out the measures, to change the central government, and devise measures for by-elections for central representatives. The termination of the period would mean the return of the presidential authorities to what is specified in the Constitution.

⁷⁰ There were four categories of guaranteed representative seats in the National Assembly and Legislative Yuan. But later on, representatives for workers were removed, for reasons that will be described later.

of political parties' nominations for legislators-at-large, or legislators elected in regional contests. That is, after elections, each political party is allocated seats for legislators-at-large in proportion to the sum of the votes it has received in regional contests.

Analyzing the structure of the two major parties, the Kuomintang established committees for peasants and for labor in its early period; in 1924 it reorganized and abolished all departments and committees in favor of a central committee system.

After moving to Taiwan, in 1972 the Kuomintang at its tenth central party congress underwent further reorganization and established party departments for occupational groups. In 2000 it again revised its organization to a central committee system and removed the special party departments, leaving only the local party sections representing regions.

As for the Democratic Progressive Party, in the early period after its establishment in 1986, it had a close relationship with labor organizations, and so till now it has always maintained a party department for labor, and it is the only department that is not further divided into county or city or other local sections. However, the DPP's Labor Department also faces uncertainty as to direction of development and limitations in shortage of funding⁷¹.

1.3.3. Labor does not have real realms of rights and power in party politics

From these observations of the changes in the organizational structures of the two major political parties, we can say that the potential for political participation of labor, considering also its socio-economic status, is similar to that of the other special groups whose seats have been removed from Taiwan's present system of representative government, to wit, that they are being marginalized. The political participation of labor in the political party organizations is gradually shrinking.

In Taiwan's central system of constituent representation, the Legislature Yuan, there are two kinds of legislators: regional legislators are elected by direct vote from the constituents in each region; and proportional vote legislator seats are now allocated to each party in proportion to the sum of party votes of the whole population. (That is, each voter has a ballot for his or her choice of a regional representative, and also a separate ballot for a party vote preference and the voter can choose a party that is not the same as that of the regional representative. The party preference ballot counts towards the election of proportional legislators, who are listed and ranked on a list of nominees for each party. So it is possible for small parties to obtain seats as proportional vote legislators even if they do not win any regional seats. But now there is no labor party.) There is no particular assembly of workers within each region⁷². The result is that no legislator takes the

⁷¹ 2012 interview by author; details will follow in later chapters.

⁷² It may be noted that in the earlier history the interests of those employees in government service and in government-run enterprises would tend to have more of a concentrated base in particular voting areas, such as the military dependents' villages, because both the employees and the residents were disproportionately Chinese mainlanders in ethnic origin. In contrast, industrial workers of native Taiwanese

position of labor as his only concern, or perhaps even as one of his major concerns. There is no dedicated representation of labor issues.

In other words, each legislator must balance the various portions of characteristics of his constituents and their disparate opinions on labor issues, in order to maximize his constituent support. So, of course, the outcome of this process of deliberation of a legislator concerning his labor issue perspective is a weighted and moderated one that may not represent the interests of labor at all. And when this legislator takes what he sees as the will of his constituents into the legislative chamber to vote, another layer of compromise and weighing is produced in the combined vote, including also the votes of the proportional representatives who represent what their party sees as the will of the people.

After this process of repeated compromises and trade-offs, the body of a labor issue comes out thoroughly lacerated and hardly recognizable. The fundamental reason for this is in the electoral system of Taiwan legislators: the structure itself excludes the possibility of workers being the central subject of legislation, or labor issues being the axis of deliberation.

Aside from the system of representation, the developmental history of the government structure also deserves mention. Even though student and labor movements were important forces in the establishment of the Republic of China in the decade from 1910⁷³, when the ROC government was uprooted and re-established in Taiwan in 1949, labor matters were only handled at the level of a “division” within the government structure.

It was only in 1987, after the rapid industrialization of the 1970’s and 1980’s, that the Council of Labor Affairs was established within the Executive Yuan. In 2014 the Council was elevated to become the Ministry of Labor. But those within the central government apparatus, rather than saying they represent labor, must be recognized as administrative functionaries. They have no similarity or relationship to general labor in their training, recruitment, assignment, or promotion. The restructuring or upgrading of government organs concerning labor, and the allocation or expansion of related personnel, is mainly engendered by the demands of industry, and not from concern for labor issues or feedback from workers.

In addition to this, under the martial law declared by the Kuomintang government in 1949, ordinary elections were not regularly held, much less normal functions of unions. Under the Cold War rhetoric and martial law, unions were seen as

origin would have families that were diffused throughout all of Taiwan, but almost nowhere in the majority where they could get political representation.

⁷³ Oppression of workers by foreign capital was a key part of Sun Yat-sen’s ideology, which came to become an ideological trend during the national uprising then. People such as Ma Chaochun were entrusted by Sun to form labor unions in Hong Kong, Hanyang, Shanghai, Guangdong, and other places to participate in the revolution. During the Hanyang Revolution, he led overseas Chinese sailors who fought to the death. Chen Cheng-zheng and Xu Guo-gan. *Gong yun chunqiu: Gonghui fazhi 80 nian*.

communist fronts; capital punishment was the punishment for leading a strike⁷⁴. As for functions of labor unions within the governmental organs that dealt with labor issues, in the period of martial law, it would be more correct to say that unions, insofar as they existed within a few large enterprises, were organs for management and stabilization of the workers, rather than organs seeking the interests of workers.

Moreover, in the early period most personnel in the bureaucracy were Chinese mainlanders, not native Taiwanese like the bulk of workers, and they lacked any kind of worker consciousness. As enforced under the Kuomintang government's stated goal to "retake the mainland", the mainlander bureaucrats took a utilitarian attitude towards Taiwan, the "base for recovery of China", and its people: all resources and manpower were to be devoted to this political purpose, to realize the "unification" of China. They did not consider Taiwan a home for sustainable development. No wonder it took nearly a hundred years from the 1911 founding of the Republic of China to belatedly establish a Ministry of Labor, which might have realized the aspirations of Chinese labor at an earlier date.

And although the appointed heads of the governmental organs concerned with labor did have some connections to workers, from the long-term actions and expressions of those officials in the administrative posts, it can be judged that placating workers to serve as helpers in national development was the goal, much more than advocating the rights of workers. Because of this, the governmental organs concerned with labor, whether at the level of division, committee, or ministry, or at local bureaus of labor, could only reflect the aforementioned goals of integrative governance of labor, and did little for the political participation or future of labor, if not nothing. This was the paternalistic byproduct of the careerist positions of bureaucrats in the government organs.

The issues might be considered from the perspective of scholars of social movement development. If before the 1980's the problem of redistribution in the social body could be effectively resolved under the political economy of the time, then why can't the forces that arose after the end of martial law, the series of demands deriving from social change, be explained?

This may be illuminated by an article written by Hsiao Hsin-huang from his research on Taiwan's land reform and the struggles of tenants⁷⁵. If the actions of the Kuomintang government after it came to Taiwan are seen from an "integrative" perspective, and too much emphasis and belief is placed in the wisdom of the rulers and their relatively autonomous ability to direct the country and its social development, then it will not be possible to comprehend the real face of the society at that time.

⁷⁴ See Linda Gail Arrigo, "Economic and Political Control of Women Workers in Multinational Electronics Factories in Taiwan: Martial Law Coercion and World Market Uncertainty," *Contemporary Marxism*, no. 11 (1985): 77-95.

⁷⁵ Hsu Shih-jong and Hsiao Hsin-huang, "Reconsidering the Reasons for Taiwan Land Reform - An Attempt at an Internal Explanation", *Taiwan Historical Research* 8, No. 1 (October 2001): 89-124.

This research points out that even though the tenant farmers were forcibly removed from tenancy and the massacres labelled by the date of February 28, 1947, had just happened, and they faced the risk of repression by the authorities, still in 1947 and 1948 there were still continuing incidents of protests by tenants. From this it can be seen that Taiwan society was not totally silenced by heavy repression, and incidents of farmers' movements and labor protests could still be heard of. From his research, Gunter Schubert concluded that in the process of Taiwan's democratization, the political elites of both rulers and opposition allied with unions and business associations in order to extend their influence into the whole society⁷⁶. This was an important reason for Taiwan's democratization.

Because of this, workers —whose political representatives in the national legislature system had been abolished and along with that their path to political participation —also faced the technocrats of governance in the political system. They had to deal as well with the situation that legislative and administrative bodies could not fulfil their demands for political participation, and they could only choose to speak out in the form of social movements, in order to obtain whatever political participation they could. This can perhaps explain why at present movements on workers' issues usually break out at the time of elections. However, those candidates who have been supported by labor, after they become the ruling party, often change their position, leading labor to feel betrayed.

Should we not credit the constant repetition of this cycle to the regulation of Taiwan society? This works through a myriad of measures of social standards and politicized legal codifications, to, firstly, eliminate the pathways of political representation for labor; secondly, limit the range of political participation of workers to working through the governmental organs and the functions they are responsible for; thirdly, channel only through other social groups, such that the position of labor is shaped and even distorted by the pressure of social conventions. For workers, this leaves only the predicament of having to take recourse to social movement methods in order to participate in the political system.

Labor can only participate by social movement methods, but for those in a position of weakness in economic and class status, this can hardly be a method for long-term protest. Others in the political system, such as political parties and interest groups, can naturally take a course of less effort and wait out the pressures generated by labor, using delaying tactics that trade space for time. Examining the labor issues and labor movements of recent years, we can see that even though there are some issues that have been hotly pushed in labor discussions or organized movements, these issues that have been initiated by labor have very rarely been able to reach the agenda of legislation. The issues that are seen are mostly those pushed by the governmental organs, i.e. revisions of laws and

⁷⁶ Gunter Schubert and Rainer Tetzlaff, eds., *Blockierte Demokratien in der Dritten Welt*, 1998 ed. (Opladen: Springer, 1998).

regulations; labor groups are only able to maintain a defensive position, and lack the opportunity to take the initiative.

1.4. The future of research on the political participation of Taiwan workers

1.4.1. An analysis of the civil status of workers and the change of social currents

Unquestionably, “grassroots class solidarity” of all kinds has had a central historical role in every social evolution, and has shown its manifestation in concrete “transformation” based in the shared interests that shape the solidarity of civil society. The grassroots classes of every society and in every era are a dynamic force that cannot be absent from the process of social development; their adamant demands for political participation show the difficulty of the environment and the pressures they face. The grassroots classes have had different labels bestowed upon them, depending on the different stages of social development or the different economic statuses they are defined by. In the feudal period, they might be called the movement for liberation of serfs; or in the industrial era, the workers’ movement.

If we analyze the grassroots social movements of different periods, we seem to discover that what are generally known as principles of democracy seem to have evolved due to the demands of the political system for “legitimacy” of rule, and this gives us a foreshadowing of a logic for their emergence.

- The observation of political participation is not limited to the success or failure of the transformation of the social system;
- The important points of “transformation” can be discussed from the observation of the means of workers’ political participation or from the proactive changes in other social roles.

We can explain this from the recent changes in views on social movements, particularly in delineating the relationships between governments and social movements, as well as their mutual interaction. These have been a crux of discussion and dispute among many scholars.

In the 1960’s, Samuel Huntington proposed that the core problem of the governing body was institutionalization of its political authority. From this view, excessive demands and political participation of the masses could cause the government to face an overload of demands and a loss of governmental authority, even to the point of a crisis in governance by democracy⁷⁷. Not surprisingly, governments’ attitudes towards social movements would be to tend to see them prejudicially, as “a minority”, “irrational”, or “having political motives”. This tendency of course has reflected a mutual antagonism between government and social movements, the phenomenon of “class struggle”.

This view from the perspective of governance paints social movements, especially in the early period of democratization, as “protests”, or even as “riots”, which has

⁷⁷ Huntington, *Political Order in Changing Societies*, 1968.

obvious political implications. Such labelling highlights how political authorities, from their vantage point of routine governance, rebuff social movements, and try to discredit them in the so-called majority public opinion, giving a simplified view of them or even scheming to eliminate them.

However, in the 1990's, especially after the "Third Wave" of democratization, the aforementioned view of political authority as the main topic of political theory has been subjected to increasing challenge. That is because in the real cases of many new political authorities of democratic countries that have arisen in the Third Wave, they have been brought about by social movements, or at the least have been the beneficiaries of opportunities induced by social movements, such that democratic transformation could succeed.

The crucial difference behind changes in theories of governance is that the misrepresentations spawned by the aforementioned governments to contain social movements could not actually produce social dialogue and resolve conflicts; and naturally they could not produce sustainable development of the society. Under the repression of political authorities, social movements on the surface seemed to leave no trace, dissipating like the wake of a passing ship. But, actually, every repeated repression of movements built up a subterranean reserve of resistance that accumulated until it exploded with huge political force, forcing the political authority to accept demands for reform or be swept away by a new political authority.

With this understanding, many of the new democratic polities expect that the relationship between the political authority and social movements is no longer the original antagonism, but has rather been transformed to symbiosis, or even seeing social movements as a catalyst for desired change. The scholar Larry Diamond has put forward the concept of "civil society", a concept which had already been delineated by other conservative political science scholars, to replace the term "social movement", which has a certain pejorative flavor. By his definition, civil society is an arena of organized social life which is formed autonomously under free will; relative to the nation, civil society maintains its own autonomy, and is bound by legal processes or by its own internal conventions⁷⁸.

1.4.2. An analysis of the process of regulation in Taiwan society

The legal order is enshrined in legal statutes; a society's internal order is governed by standards. Every phenomenon of social regulation that is manifested through regulation and legal codification should be the product of members of society who have the capacity for independent action, such that they can adapt themselves and play their role in the continuing operation of the whole society. The capacity of each member of society comes from his/her own free will, and only in this way can each interact with the other actors to form the pattern of the social mosaic and operate in a social system for sustainable development. So research on the social system and its capacities for initiative should look to the role of every element of

⁷⁸ Diamond 1994: 5.

society and the problem of self-adaptation and mutual interdependency among them.

Looking at the political participation of Taiwan labor over the long run, it appears that there is a progression from “resistance” to “symbiosis” to “catalyst” in the self-adaptation and mutual interdependency engendered by the interactions among the labor movement, governing authority, and opposition party - as seen over the long period of the Japanese period, the arrival of the Republic of China government in Taiwan, the martial law period, and the first and the second transitions of ruling parties in the years 2000 and 2008 respectively. Scholars such as Wang Chen-huan (1989), Ho Ming-shio (1993), and Hsiao Hsin-huang Micheal (2004), among others, all have to a considerable degree described such a progression of milestones. Moreover, the angle they have chosen to enter into this issue is mostly from the angle of how the governing authority reaches a complementary relationship and co-existence with the social movements.

This way of explaining the progression from “resistance” to “symbiosis” to “catalyst” over the last sixty years of political evolution, if only based on a high evaluation of Taiwan’s democratization during the steady growth of Taiwan’s polity and economy during this time, may actually be jumping ahead too quickly, and neglecting the potential for a continuing subterranean accumulation of social forces of discontent. It may not necessarily provide a plausible or logical explanation for the eruption of social movements in the current or future generations.

In the past experience of human history, labor has been the most common initiator of social movements. Given this, scholarly discussion of the political participation of Taiwan labor, as well as its methods and influence, as it goes through legal codification and standardization that affect its actions and interactions with other groups in society, is much needed, but largely lacking.

Wu Nai-deh, in his article on Taiwan’s democratization in the year 2000 when the Kuomintang lost the presidency for the first time, pointed out that political actions based in values and ideals were the most important force in Taiwan’s democratization, but these were also the most overlooked and under-researched phenomena⁷⁹. The scholarly discourse on the process of democratization, although it does not intend to disregard the differences in culture, history and environment in the democratization processes of other societies, still in its “essentialist” theoretical discourse continually causes the readers to just see the results of structural change, and neglects the effect of the human element in the unfolding of history.

Ho Ming-shio in his 2014 book discussed how class consciousness arose among workers in Taiwan’s public sector in the process of interaction between workers and government; he observed how in this stage of history the workers in

⁷⁹ Wu Nai-teh, “The Effect of Human Ideals in Historical Change - the Meilidao Incident and Taiwan’s Democratization”, *Taiwan Political Science Review*, No. 4 (December 2000): 57-103.

government-operated industries faced liberalization and privatization, and the workers had to recast their relationships with the rulers and the political parties.

These writings which attempt to restore the cultural, historical and environmental elements of difference that have been mistakenly excised from the essentialist discourse on political transformation, certainly help us discover the following: A theoretical discourse which is overly essentialized, along with a particular fault of Taiwan's academia in emphasizing the result but not delving into the process, has not only distorted the historical account, such that the dictators are seen as democratic reformers, but has failed to help in democratic transition. This kind of blind spot, is it just the effect of an essentialist discourse, or is it actually a denouement that has been gleefully designed by those in power?

1.4.3. Setting out afresh from historical observation

So in order to research the political participation and actions of Taiwan labor and the predicaments it faces, it is necessary to consider the social structure in different historical periods and its evolution, but also the deep cultural meanings of the period and how Taiwan workers interact with them. Otherwise it is not possible to comprehend the crucial elements of why Taiwan workers actively or passively accept regulation. And, of course, it is otherwise not possible to explain the reasons that Taiwan workers feel a sense of helplessness in the face of these predicaments, not to speak of how Taiwan workers may continue to accumulate the force of social movements and move in the direction of feasible social movements; or how the social movement momentum may impact the process of future democratization.

In sum, the present thesis will use the theory of embedded democracy to carry out a structuralist analysis of the social system and the different means of political participation of Taiwan labor in different historical periods. The goal is to contextualize the situation faced by Taiwan labor in the political arena, as well as its actions, which can explicate why Taiwan labor has long been in a position of weakness and unable to take the initiative. The reason is not that Taiwan labor is willingly silenced. Rather, as I will argue at length in this thesis, the reason is related to the paralysis of political participation induced by legal codification and standardization in the process of Taiwan's democratization.

The political participation of Taiwan's labor in different historical, social, and cultural circumstances is certainly an important object of research; and the analysis of how this political participation and outward actions have been shaped by various factors can clarify how different types of political participation have shaped the deeper structures and meanings.

Taiwan, on one hand, has the natural geography and particular characteristics of an island, and, on the other hand, in its contemporary history it has faced two major upheavals of its society and culture. Added to this is the phenomenon of regulation under a social system produced by rulers with their particular political goals and their values and culture. This has caused the process of Taiwan's

democratization to tie up with the isolated and closed-in characteristics of an island, particularly in regards to the political participation of labor.

Starting from this vein of discussion, this thesis will sketch the political participation of Taiwan labor, with the projected goal of advancing discussion on the following major points:

First is an exploration of research on social structure and democratization, to make a structural analysis of the theory of democratization and how it relates to the political participation of Taiwan labor.

Second is an analysis of the political participation and actions and motivation of Taiwan labor in every period of Taiwan history, to explain under what circumstances embedded democracy is “embedded”. In addition, it is to be clarified how this is related to the whole society and to other groups and their interactions and influences, to explain the possible reasons for the dilemmas of “embeddedness”. Related, the means and significance of the political participation of Taiwan labor in different periods will be examined, to explain the internal and external linkages of “embeddedness”.

Third, I will propose an explanation for the means of political participation of Taiwan labor, in historical periods to present, and use the discourse of “embedded democracy” to draw inferences and make suggestions about the situations and directions that future democratization in Taiwan may encounter.

2. A discussion of social structure and democratization

In Samuel Huntington's work on democratization, historical analysis is used to divide human history into different stages of the establishment of democratization.⁸⁰ Huntington finds there to be three waves of democratization. After the collapse of the Soviet Union in 1991, post-Communist countries started to follow different routes towards democratization, terming this the fourth wave of democratization.⁸¹ The experience of democratization in the late 20th century attests to that, generally speaking, these latecomers to democratization have the characteristic of relying on social elites and a large degree of social mobilization to achieve democratization, as a result of which, policy planning is carried out from high-levels of government. This allows for the achievement of good results in economic development.

However, if this successful economic development is attributed to effectiveness of political rule, and if it is also asserted that democratization has a set course, this does seem to vary from the usual course. One has difficulties saying whether the regime change that has taken place in these countries is truly successful democratization or is actually only the beginnings of democratic transition, with some distance yet from complete democratization.⁸² But there seems to be few ways to describe this process, apart from attributing this to the good or evil deeds of politicians, or the actions of other social figures in the context of history. This is not to mention in that this process of development, this fails to outline what the other contributing factors apart from political ones were.

Renske Doorenspleet differentiates between two approaches in analyzing factors that contribute to democratic transitions: structural approaches, and actor-oriented approaches. Structural approaches attribute democratization to certain factors which exist in society, such as economic development, level of modernization, or other structural factors that can lead to modernization.

This is also to say that under the influence of certain social structures, political culture, and shared history, the development of democracies in countries with similar characteristics will also be similar. Political actors choosing certain paths in the belief that this will lead to the development of democracy is founded upon their decisions, including some individuals deciding to take action at certain times and certain places. For example, the interaction of conservative and reformist factions, or of moderate factions and radical factions, will determine the speed of democratization. The path democratization takes, as well as the ultimate results of its success or failure.⁸³

⁸⁰ Samuel p. Huntington, *The Third Wave: Democratization in the Late Twentieth Century*, vol. 4 (University of Oklahoma press, 1993).

⁸¹ Michael McFaul, "The Fourth Wave of Democracy and Dictatorship: Noncooperative Transitions in the Postcommunist World," *World Politics* 54, no. 2 (2002): 212-44, DOI: 10.2307/25054183.

⁸² *Ibid.*

⁸³ Renske Doorenspleet, *Democratic Transitions: Exploring the Structural Sources of the Fourth Wave* (Boulder, Colo: Lynne Rienner Pub, 2005).

Regarding the issue of defining of democratic transition and the means it takes, Dankwart A. Rustow believes that the establishment of a democratic transition has a necessary condition and three stages: background conditions, a preparatory period, and a decision-making, and adaptation period. The background conditions needed is the concrete existence of a country, which is to say that the people of a country accept the political legitimacy of the country and the unity of the country as a political domain.

The preparatory period occurs when the original government collapses, especially when the original government was an undemocratic regime. The decision-making period occurs when a country begins to establish a democratic order. The adaptation period, on the other hand, is when democracy is able to advance and internalizes into the political culture of the country.⁸⁴

The completion of democratic transition for a country refers to when a country establishes democratic elections as determining the political order of the country, including carrying equal and free elections, likewise, with the government having the ability to set and carry out policy, and having a three way division of power between the executive, legislative, and judiciary. After the democratic transition, the next stage is the consolidation of democracy, with civil society, political society, economic society, law, and the mechanisms of the state are linked together as part of an established political order, as to protect the achievements of democracy.

But the beginning of democratic transition does not mean that a country has established the completion of its democratization, with the possibility that a failed democratic transition will take place or that democracy will eventually regress.⁸⁵ Consequently, deciding if a country has completed its democratic transition has been an issue for studies of democratization. Furthermore, there is the conceptual issue of how to determine whether a country that appears as though it has completed its democratic transition successfully actually has not done so at all levels.

To take Taiwan as an example, the rapid economic growth of Taiwan in the 1950s and 1960s and its political democratization as beginning during this time were overlapping phenomena, expressing that Taiwan's economic development may be related to the fact that Taiwan's democratic transition was bloodless and peaceful. But in consideration of that the martial law period which lasted for over thirty years, even if there have been three political transitions, the strength of political antagonisms continues to grow. Moreover, the slowness of economic development has also been attributed as a cause of broader distrust in the political system.

That this is so points to how if research into political democratization describes the course of Taiwan's democratization only in terms of the political system and the economy as a whole, this neglects the interactions and relations of various

⁸⁴ Dankwart A. Rustow, "Transitions to Democracy: Toward a Dynamic Model," *Comparative Politics* 2, no. 3 (1970): 337-363.

⁸⁵ Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe* (JHU Press, 1996).

related events of the process of democratization, as well as neglects that the growth of social issues requires long-term research. There is as yet no way to explain present circumstances purely in terms of cause and effect, with there not being any model or pattern which proves fully explaining and predictive of the course of democratization.

As explained in the previous chapter, although contemporary Taiwanese industrial relations may, in one respect, appear to be primarily a product of institutionalization, in the course of Taiwanese democratization, workers have been proactive actors. But on the other side of things, it remains impossible to resolve the issues of industry in contemporary Taiwanese society through strictly rule-abiding unions. Nevertheless, we can raise the question: How did the institutionalization of industrial relations in Taiwan society arise? Why can't it play its due role?

From the perspective of analyzing social structure, from the start of national education, Taiwanese schoolchildren wear the same uniforms every day, enter the sports field to raise and lower the flag every morning and evening, male and female students are divided in classes and in schools, the Ministry of Education decides on textbooks and testing procedures, and etc.

Although these ceremonies, rituals, and systematized behavior which appear to matter of course in Taiwan may lead Taiwanese society to appear adjusted to uniformity, internally, Taiwanese society is full of hierarchies and divisions. Culture and history have led to the complete systematization of social behavior, sculpting and shaping every member of Taiwanese society. These factors have not been lessened by frequent exchanges between Taiwan and the international world; instead, western thought has been used to increase the binding force of social norms on members of society.

In the education system, teachers are required to faithfully implement set curriculum plans and students are treated as repositories for depositing knowledge. The purpose of curriculum development is not for the development of human beings, but for achieving pre-set curriculum objectives. Therefore, in the Taiwanese educational system, curriculum plans discount the importance of human beings and serves as a means of control for the actions of teachers and students:

Teachers must loyally implement the given plan, and students become the stock of packaged knowledge. In the process of curriculum development, humans become the object controlled by curriculum. The Reconceptualist emphasizes that "curriculum" is the journey to seek life meanings for teachers and students.⁸⁶

Consequently, from social structure, this leads us to a deeper discussion that this paper will seek to address: Does the systematization of Taiwanese society affect the political participation of Taiwanese workers, leading to the present situation?

⁸⁶ Shuching Chou, "Teachers and Students in the Process of Curriculum Development – Tylerist and Reconceptualist Perspectives", *Bulletin of Educational Research*, no. 48:1 (2002): 133-51.

What effects does the systematization of Taiwanese society have on Taiwanese workers and why has this come to be?

“Institutionalization” is defined in this essay as including “institutionalization” within society as well as “regulation” through law. “Institutionalization” of Taiwanese workers within the social system includes history, culture, social customs and habits, other influences, as well as social networks developed with other components of society in both formal and informal means, which leads to both natural and imposed limitations. Behavior must accord to the expectations of society as this is internalized by workers.

Different historical events have led to shared consciousness of one’s status. The social “institutionalization” of Taiwanese workers, then, refers to how through different periods in history, society has used the system of law and government to directly mold and change the role and status of workers in society, something not asked for by workers themselves, and the influences of which they may not be fully aware of.

Contemporary workers are most concerned about wages, and wages in Taiwan’s labor market are strongly linked to working hours, so the income distribution, in the Taiwan concept of economic returns, actually reflects working hours, vacations, pensions, etc. —the whole linkage of labor income to daily life.

Given such social attributes, discussing changes in the channels of political participation for Taiwanese workers must actually start with the reconceptualization of the social structure and the formation of social classes, in order to understand how each element in the political arena uses the innate structure of capitalism. This innate structure has created a regulatory effect that constrains workers under the operation of Taiwanese society; workers have been excluded from the political arena, and are unable to directly participate in politics, and only the choice left to them is social movement activity and protest in the streets.

The reconceptualization of social structure and the formation of social classes must be related to economic, political and social factors in various historical stages of Taiwan’s development in the last half century. Re-examining the process of social development in Taiwan from the standpoint of workers will provide us with a perspective that is different from mainstream political and economic research and gives social observational research new meanings.

For the reconceptualization of social structure, this research extends from the Talcott Parsons theory of systemic “structural coupling” (German: Kupplung im Strukturfunktionalismus) to the concept of “feedback loop”, in accordance with Wolfgang Merkel’s theory of “embedded democracy”, which is seen to include five principles: 1. electoral regime, 2. political liberty, 3. civil rights, 4. horizontal accountability and 5. effective power to govern.

These theories can elucidate that, when Taiwan’s social structure is reconceptualized, it can clarify the relationship between the social system and

other social systems (colonial mother country, former sovereign state, etc.), the relationships among the various subsystems, and that between the system and the environment (internal and external). In sum effect, through some kind of connection and interaction, the arrangement of the functional requirements of the system form a regulatory and standardizing process, i.e. an institutionalized normative culture.

In the description of social class formation, the research method used in this study is that jointly developed by Gunter Schubert, Rainer Tetzlaff and Werner Vennewald, that is, the theory of strategic and conflictive groups (in German, Strategische und konfliktfähige Gruppen, SKoG). (Strategic groups are groups centered on those in power; conflictive groups are groups centered on opponents to the central power.) The biggest difference of SKoG theory from strategic theory is that SKoG theory does not deal with the analysis of rational issues after choices in trade-off, but instead focuses on the behavior of the two pre-defined groups. In terms of the internal causes of the movement and shrinkage/growth of social units, it is more objective to analyze the political and social interactions played out by the workers and the cores of the two groups.

Therefore, following the sequence of historical development of Taiwanese society, this study divides the development process of Taiwanese society into four stages:

1. up to 1945: the Japanese colonial period before the authoritarian rule of the Republic of China;
2. 1949-1987: the period of authoritarianism under the ruling Nationalist Party (Kuomintang, KMT),
3. 1987-1996: the period of democratic transition, and
4. after 1996: the period of democratic consolidation.

Through the comprehensive analysis and application of the above-mentioned theories, this research framework can be seen as the test of an ideal type:

The composition of modern democracy is a whole and integrated civil society. From the perspective of political system, the political system of such a civil society is necessarily composed of an electoral system, political freedoms, civil rights, a system of power with accountability, and effective governance capabilities. And in the face of social development and economic needs, it responds accordingly through the interaction of the social actors and the pressure of the situation; and it is a political structure of an embedded nature.

Under this description, an obvious feature of the modern political system is its complex and hierarchical institutional structure. Therefore, how this complex and hierarchical structure is formed or changed is not only an important indicator for observation of the effective and long-term operation of the democratic system, but also an important factor in the consolidation of democracy.

And workers and labor organizations, which account for nearly 40% of Taiwan's social demographic structure, are social units within the two groups, strategic and

conflictive – workers are not necessarily all in one camp. Of course, there are politicians or political parties that they may support or prefer. And of course, politicians and political parties have participated in the democratic elections in Taiwan in recent decades, and they have desperately sought to provide patronage and secure votes from the constituents, including workers.

In this context of development, the political processes of Taiwanese society as a whole are moving in a more democratic direction. However, if one observes the weak position of Taiwanese workers in economic redistribution through the political system, it is very contradictory. Obviously, the political participation mode of Taiwanese workers and labor groups in the political field is inevitably affected by the long accumulation of social regulation, even as democratization proceeds, and this results in restrictions and the impairment of their ability to act and influence their working conditions⁸⁷.

Therefore, this study must conclude that Taiwan's current stage of democratization has not brought to workers in Taiwan the benefits that might be expected in a truly democratic civil society. As such, attempting to address these research questions and conducting an analysis of Taiwan's social system, including the "institutionalization" of workers in Taiwanese society, will be the main focus of this chapter.

2.1. The interaction of social systems and cultural values

For Talcott Parsons' social systems theory, the interaction of social structure with every component of society forms the more generic model of society.⁸⁸ This is true when we discuss any of the constituent elements of society, whether as small as a single person, an organization with a specific aim, such as a company, a political party, labor union, or categories of systems serving various purposes in society, such as cultural systems, legal systems, political systems, economic systems, and etc.

These components of society differ due to differences in their personal values and aims, resulting in each element facing different forms of conflict or other predicaments. Because of such differences in "interest", this leads to various decisions made or policies formulated. In other words, situational conditions lead to the large difference between different components of society, regarding their differing perceptions of "interest".

The social system, in confronting the differing interests of its constituent components, needs to integrate them in order to maintain its overall existence, in order to preserve the functions of society writ large. It is because of this that social integrity and different components of society both need to self-preserve, with need for the four functions of adaptation, goal attainment, integration, and latency (AGIL).⁸⁹ Only then, when confronting internal or external changes in society, will

⁸⁷ Note that social regulation comes from a combination of the standardization of social culture, much prejudicial to workers, and the codification of allowable worker actions under the legal system.

⁸⁸ Talcott Parsons, *The Social System* (Glencoe, Ill. : Free Press, 1951).

⁸⁹ AGIL Paradigm, Parsons, 1951.

the system have the capacity to make the appropriate preparations and needed flexible adaptability to make new change to alleviate the strain or friction on various components or prevent negative consequences, as a form of pattern maintenance for society as a whole.⁹⁰

Regarding complex social operations, for Parsons, the interaction of an individual's functionality, cultural values, and social structure, come to comprise society writ large, as a result of which social systems theory requires addressing two issues: the patterns of social interaction in a social system, as well as the complementarity of expectations between elements of society.

The complementary expectations are both cognitive and cathectic in their relevance to both personalities. And the expectations (in order to have this complementary "fit" with one another) must be subject to (or governed by) common value patterns, as was pointed out in the General Statement.

Starting from this point of departure, Parsons outlines his social system as comprised of the integration of various individual components and their interactions, each of which has their individual points of view, social status, social expectations, and social norms. As a result, it is impossible for there not to be conflict or tensions within a society, requiring mechanisms to mediate between individual entities in society to order to maintain the integration of society as a whole.

For Parsons, society preserves order through naturally formed social mechanisms, based on social generalization and value consensus within society.⁹¹ An individual perspective is not singular, because they are situated between the interaction of various social roles, such as the family and the labor market, with conflicts resulting from the demands of different roles. There is a need to mediate between this, which is what leads to the creation of a "fit" social order.

Consequently, social coordination and values serve to integrate society, serving as its core. For Parson's discussion of social order, the conflicts of the specific needs of different perspectives is what allows for achieving the possibility of social compatibility. To rephrase this, individuals in different social roles and situations may have mutual conflicts, but through the regulatory mechanism of social values, this forms the fundamental basis for understanding and shared values, in order to maintain social order, and achieve the aim of a long-lasting society.

2.1.1. Parsons' views on institutionalization

Consequently, how do social coordination and values achieve the integration of a social order?

Towards the individual, Parsons believes that the family, school education, and social influences are an important means of forming an individual's cultural values.

⁹⁰ Talcott Parsons and Edward Shils, *Toward a General Theory of Action* (Cambridge : Harvard University Press, 1951). p. 115

⁹¹ Talcott Parsons and Edward Shils. Chap. 1.

This is what he terms “introjection” and “internalization” of these values.⁹² Familial ethics, school education, and social influences lead to faith in the shared norms of society, with education, replication, and internalization forming standards for personal behavior, contributing to shared cultural values among members of society, and forming the bedrock of social order through identification with such values and observance of them.

From the perspective of a social system, Parsons raises the issue of institutionalization in order to explain how cultural values become legal regulations as part of the political system.⁹³ Due to the conflict between the different demands made of individuals and society, shared regulations and values cannot entirely be decided from the standpoint of the individual, which may derive fundamentally from issues regarding the distribution of resources, that is, the problem of “scarcity” as it is referred to in economics. How to distribute resources in a rational way is usually the focal point of conflicts. From the standpoint of the social system, in confronting the issue of distribution of resources, apart from satisfying the fundamental needs of the constituent elements of society, at the same time, and so there is the need to preserve the aim of sustainable existence for the individual and social development overall. As a result, the requirements of the social mechanism, cultural system, legal system, political system, economic system, and the integration of these parts of the social system, are necessary results of the social structure, serving the needs of society to maintain social order.

Thus, the shared purposes of “internalization” and “institutionalization” serve to define from different perspectives what needs are and what social expectations are, as well as defining the social context of society. It also must be said, because individual “internalization” and social “institutionalization” leads society, first, to give rise to cultural values and, second, naturally forms a fitting behavior for different roles in society for the sake of protecting and maintaining social order, forming a mutual compatibility between individual values and systematic values. Only then can society be integrated. Parsons places great importance on the integration of social functions, emphasizing:⁹⁴

For any given type of system - here, the social - the integrative function is the focus of its most distinctive properties and processes. We contend, therefore, that the problems focusing about the integrative functions of social systems constitute the central core of the concerns of sociological theory.

Moreover, Parsons believes that only through a high degree of institutionalization in the cultural system, legal system, political system, economic system, and other systems, can social order, stability, and harmony be maintained, stating that: The

⁹² Talcott Parsons, *The Social System*, 1951, p. 37.

⁹³ Talcott Parsons, p. 51

⁹⁴ Talcott Parsons, *Theories of Society; Foundations of Modern Sociological Theory Vol. 1* (New York]: Free Press of Glencoe, 1961), P.40-41.

AGIL paradigm will be “*part of a highly generalized analogy between organic and sociocultural living systems.*”⁹⁵

As a result, whether with regards to individual “internalization” or “institutionalization” in the social system, with the process of “integration” of constituent elements of society, the aim is to achieve social integration of members for the sake of growth and stability.

As Parson expounds, social coordination and social values constitute the process of “socialization”. The “internalization” process of individuals and “institutionalization” of elements of society are the two large focuses of the social sciences, then. On the one hand, “institutionalization” reveals how social cultural values give rise to “institutionalization” and “regulation” by the law.

But on the other hand, one cannot fail to discuss the distinctions of the social sciences, economics, political sciences, and jurisprudence as means of proceeding towards integration. Mutually expanding the horizon of these fields has led to heated debates; in this sense, the “institutionalization” of a society’s culture is not only a research category for sociology or cultural anthropology. Rather, institutionalization emphasizes the concept of the societal community and individuals coming to identify with social integration, suggesting that although there may be individualistic demands, this will conflict with the collectivist identification of social integration —even if through this, society can still achieve its aims of sustainable survival.

2.1.2. The context for institutionalization in Taiwanese society

Parsons’ social systems theory was adopted in Taiwan following international trends, becoming an important foundation for sociological research, particularly with discussion of “pattern maintenance” in the AGIL and social “functions” as means of analyzing systematization of society. As such, social systems theory has become an important theoretical basis for discussion of administration and pedagogy in social theory for research.

What is also worth noting is that in the course of Taiwan’s historical development is that Taiwan’s international orientation broadly began after the Second World War. Apart from social research from America or England, another influence was Marxism and left-wing thought.⁹⁶ Both in the domain of the international academic community and in terms of geopolitical political systems, both came into conflict. But in Taiwanese society, the resistance of the KMT to the CCP and the

⁹⁵ Talcott Parsons, *The Evolution of Societies*, First Printing edition (Englewood Cliff, N.J.: Prentice Hall, 1977), p. 112

⁹⁶ What this refers to is the radical student movements which have occurred across the world since the 1960s, as well as the rise of conservative political forces in society and politics afterwards. These dramatic changes were reflected in academia at the time, such as pertaining to skeptical reactions in the Western world towards traditionalist, right-leaning social sciences. The left wing, or New Left, used the Marxist materialist conception of history as an alternative to critique the development of the social sciences. See: Jean Copans and David Seddon, “Marxism and Anthropology: A Preliminary Survey,” *Relations of Production: Marxist Approaches to Economic Anthropology*. David Seddon, Ed, 1978, 1-46.

limitations on academic freedom in place during the authoritarian period led sociological studies to focus primarily on British and American academia.

A more concrete way of putting this is that, the entrance of social systems theory into Taiwan was not merely as one method of research among many, but its introduction in Taiwan was because of historical reasons, given Taiwan's political restrictiveness. This led it to become a core theory in administrative research and pedagogy. Education was believed to be a national right and responsibility and the promotion of education was seen as an important indicator of a country's strength or weakness.⁹⁷ As a result, if education was seen as a means of raising a nation's strength, this was a core ideology transmitted downwards from the upper class of Taiwan's political leaders, to bureaucrats, to the regular, everyday people, continuing up until the present day.

On a theoretical level, seeing as "schooling" is a something rationally designed, the purpose of schooling is to transmit shared values to future generations, providing a space for learning and practice of technical abilities.⁹⁸ This allows the young to gradually adapt to the increasingly complex social system as they grow older. Schools have the responsibility of parsing out between the talented and untalented in the process of education, promoting those who have talent to high social positions.⁹⁹ As such, the phenomenon of social equality naturally occurs, and this equality is a necessary factor for the functioning of the social system, because only in a society in which inequality exists can those who are talented strive towards higher social positions.¹⁰⁰

But what about on the practical level? In Taiwanese society, if "education" was thought of as a means towards "national strength," this became thought of as a rational basis for the formation of class formation. What follows is that social systems analysis came to play a social "function" —that of maximizing Taiwan's productivity, particularly with regards to justifying economic productivity.¹⁰¹

⁹⁷ Yang Jirong. "Jiaoyu yu guojia fazhan: 'Taiwan jingyan' de fanxing" in *Guangfu hou Taiwan diqu fazhan jingyan*. Eds. Lai Jeh-hang and Junjie Huang. (Taipei: Academia Sinica Humanities and Social Sciences Research Department, n.d.), p. 133-70. Yang Jirong, "Jiaoyu de quanli yu yiwu" in *Taiwan de jiaoyu gaige*, Ed. Yang Jirong and Lin Chuan, Taiwan Research Fund (Avanguard Books, 1994), 33-77. Zhang Qingxi, "Jiaoyu yu renli gui hua" in *Taiwan de Jiaoyu Gaige*. Ed. Yang Jirong and Lin Chuan, Taiwan Research Fund (Avanguard Books, 1994), 281-311.

⁹⁸ Emile Durkheim, "On Education and Society," in *Power and Ideology in Education*, 1977, 92-105.

⁹⁹ Kingsley Davis and Wilbert E. Moore, "Some Principles of Stratification," *American Sociological Review* 10, no. 2 (1945): 242-49, DOI: 10.2307/2085643.

¹⁰⁰ Talcott Parsons, "Equality and Inequality in Modern Society, or Social Stratification Revisited," *Sociological Inquiry* 40, no. 2 (April 1, 1970): 13-72, DOI: 10.1111/j.1475-682X.1970.tb01002.x.

¹⁰¹ After the KMT entered Taiwan, they imposed martial law. This was the second time that Taiwan's social structure had been reorganized, with the KMT's primary goal being to "Sinicize" Taiwan and make it accommodate its goal of attacking the CCP and retaking China. National education was designed in line with military education. After a total of 38 years of martial law, not only has this military education continued, but with the entrance of Taiwanese businessmen into China, this has been advertised as "military-style management" with the aims of increasing productivity and efficiency, and laborers thought of as the basis for the economic production prioritized over the "human" as the starting point of governance. Through education, individuals are molded into a suitable screw of society, and they are promoted as the motivating power of society. This kind of management includes the aims of governance and, from the perspective of the author, this may be a factor for the high amount of regulations in Taiwanese society. See the subsequent chapter of this thesis.

This kind of behavior —if it occurred in a free society —should comprise a functional utility. In theory, this would give rise to opposed thought to neutralize or to perfect it through argumentation.¹⁰²

However, because of martial law in Taiwan and the KMT's conflict with the CCP, educational thinking prioritizing social systems theory had no enemies. Presupposing social inequality as a necessity for the survival of society, particularly through the influence that educators had on the whole of Taiwanese society, within the closed space of Taiwanese society, there were few that called this into question or called for change.

The “individual” was made into one who received education, particularly with regard to pursuing settling down and getting on with one's pursuits, and with the nation in the process of pursuing fervent development, , “cultivating” and “filtering” which individuals were appropriate for society, inclusive of that criticizing the educational system would lead one to be deemed an “unsuitable” individual. Because “social consensus” only accepted those thought to have accepted social education, this was not society confronting certain “problems” collectively. Different elements of society and classes of society were firmly divided, with a competitive relation between them deemphasized in favor of the importance of a cooperative one. As such, how can we form in the group relations and concepts needed in the process of social development?

We explain this simply. In feudal times, scholars were promoted to high positions, with long years of suffering rewarded, with imperial examination as the only path for rising up. What is implied in the process is that one could only depend on one's “self” to rise up. People were judged only according to whether they had succeeded or failed, with little consideration as to their behavior, and only those who had succeeded having the space to express themselves. To draw an example from baseball, much beloved in Taiwan, most people only remember the name of the pitcher and not that of the other baseball players on the team, reflecting that even in team sports, it is only the person who is most intermediate that stands out. This points out clearly that in Taiwanese society that if an individual is successful, the reasons for their success are attributed to them individually, and not as a success of society writ large, including a belief that individuals are oppressed by society but that it is only through individual effort that one finds a path to rise up. If such narratives are true, the amount of support from the social system is insufficient, or it could that the social system through education and administrative systems undertakes deliberately, unknowingly bring this about through cultural transmission.

These historical factors have led to the circumstances under which Taiwan underwent the influence of “institutionalization”. Systems theory on the one hand, became the basis for understanding Taiwan's underlying social structure. On the other hand, through the educational system as a means of cultural transmission,

¹⁰² For example, a “model of the political system” was recast into the development of “a modified model of the political system”, as a renewed operation of the government black box.

systems theory became a methodology for researching Taiwanese society in different historical periods, particularly from the standpoint of “functionality” during the authoritarian period.

Outside of this, workers were seen as a component of society, whether in terms of the cultural system or molded behavior, from the standpoint of the employer relations of the economic system, from the standpoint of being a retainer in the political system, or from various aspects of social systems theory. This has made it worth finding out what kind of circumstances that workers confront, or their actions in these circumstances in analyzing the active role that Taiwanese workers play, and transformations in society in terms of choices made by workers.

2.2. Structural coupling and feedback loops

Continuing from the above, for systems theory to serve as a methodological means of analyzing the structural foundations of Taiwanese society, we must address the various relations that social structures are bound up in.

Regarding what was discussed regarding conceptions of cultural influences, Emile Durkheim took the view that society is a system with organic solidarity, with integrity preserved in spite of a high level of differentiation and stratification. On the one hand, social integration relies on education as a transmitter of social culture in order to preserve itself, and on the other hand, it is through internalization of moral norms at the same time that enable individual development. Consequently, different constituent elements of society condense with one another and allow for the advancement of social stability.¹⁰³

Talcott Parsons went a step further in taking the view that the process of cultural molding can be ascribed to a function of the modern educational system, in particular, as a tool of conducting meritocratic evaluations. He believed that through unceasingly expanding education, this opened up equal opportunities for education, specialization of education, and impartial implementation of divisions through testing. This led modern education systems to be more equal and fair than traditional educational systems, allowing for the advancement of social mobility and social equality.¹⁰⁴ This kind of means of social operation, from an optimistic point of view, is, in fact, the beginnings of a preposition, justifying the possibilities of success through cultural molding by way of the educational system. But the question is, are the operations of the human social system so simple and perfect?

Other scholars, including Max Horkheimer and Theodor W. Adorno, had different views than systems theory in terms of their views of contemporary industrial civilization’s effects on human social development. The Frankfurt School thinkers believed that with the application of reason from the Enlightenment onwards, “rationality”, was the foundations of capitalism and industrial civilization, with the aim of rationally liberating mankind and conquering nature.

¹⁰³ Emile Durkheim, *The Division of Labor in Society* (Simon and Schuster, 1997).

¹⁰⁴ Parsons Talcott, “The School Class as a Social System: Some of Its Functions in American Society,” *Harvard Educational Review*, no. 29 (1959): 297-318; Talcott Parsons, *The Structure of Social Action, Vol. 1: Marshall, Pareto, Durkheim*, 2 edition (New York, NY u.a.: Free Press, 1967).

But as a result of a fundamental contradiction, this had led to the possibility of humankind annihilating itself.¹⁰⁵ Modern scientific civilization as linked with capitalism, had jointly constructed a bureaucratic society based on the rule of experts, technology, and capitalist relations of production. This bureaucratic society, used scientism and the rationalization of scientific logic, and capitalism established new political divisions, realizing a new hegemony of the social order.

Herbert Marcuse pointed out that what appeared to be a highly advanced civilization was also a society with irrational characteristics, and this had led to the development of a “one-dimensional man”.¹⁰⁶ “Man” was not simply alienated in a society with a highly specialized division of labor, but left bare with only material existence. In this process of alienation, the capacities for independent thought and criticism ceased to exist. As Karl Marx explained in his description of human society under the conditions of capitalism, with the reproduction of classes in capitalism:

*Capitalist production, therefore, under its aspect of a continuous connected process, of a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation.*¹⁰⁷

What is a pity is that, in these criticisms of and reflections upon cultural transmission in the social system, in Taiwan, due to the KMT's conflict Communist China and under conditions of martial law, there was no way to discuss critical theory or Marxism. Under such conditions, Taiwanese society was influenced by systems theory. Accordingly, in the process of cultural transmission, how do we deal with these conflicts and contradictions that emerge? At this point, we should return to the core theory of systems theory, and attempt to analyze the structural nature of systems theory itself.

2.2.1. Social systems under structural coupling

Systems theory believes that society consists of “Systems composed of many subsystems”.¹⁰⁸ Likewise, “a social system is always “open,” engaged in processes of interchange with enviroing systems.”¹⁰⁹ Between system and system, subsystem and subsystem, and system and environment, this leads to an “arrangement of the functional requirements of a system”, which is what leads to “institutionalized normative culture”.

As such, with regards to so-called “functional” requirements in the institutionalization of a cultural paradigm, this leads us to an interesting question: for a specific subsystem, in what way is this “arrangement” carried out? For the

¹⁰⁵ Self-destruction of enlightenment. Max Horkheimer and Theodor W. Adorno, *Dialectic of Enlightenment*, ed. Gunzelin Schmid Noerr, trans. Edmund Jephcott, 1 edition (Stanford, Calif: Stanford University Press, 2007).

¹⁰⁶ Herbert Marcuse, *One-Dimensional Man: Studies in the Ideology of Advanced Industrial Society*, 2nd revised ed. edition (London: Routledge, 2002).

¹⁰⁷ Karl Marx, *Capital: Volume 1: A Critique of Political Economy*, trans. Ben Fowkes, Reprint edition (London ; New York, N.Y: Penguin Classics, 1992). p.407.

¹⁰⁸ Talcott Parsons, *Theories of Society; Foundations of Modern Sociological Theory Vol. 1*. p. 30

¹⁰⁹ Ibid.

“functional” requirements of the system as a whole, do we also “functional” requirements for each and every subsystem?

For systems theory to be seen as a “grand theory” for analyzing social structure, from the standpoint of functionality, each system and each subsystem needs an internal principle for being able carry out functions on its own. Through the systematic analysis of subsystems, we can interpret the operating principle of the subsystem.

From the perspective of social systems theory, Luhmann raises the issue “actors” and “communication”, suggesting clarifying the identity of actors and analyzing communication behavior as a means of interpreting the operations of social systems. With this concept, even if researching the structures of social systems remains important, how a social system works and how a subsystem achieves a “stable” situation is an issue that Luhmann thus draws our attention to. Social systems theory does not predict whether a social system has the a priori conditions for reaching balance, but how we can find the operating principles from the changes in subsystems part of a larger system. As such, this is not to only pay attention to observations and criticisms of social system structures, but to reflect on and consider the interactions between systems and subsystems, to obtain the basic principles for a systems’ operations. For social systems, drawing up an outline of subsystems, their internal operating principles, and their links to external situations, and to proceed to clarifying the facts regarding the limits of self-replicative systems is what is significant, as the important aim of research methods.

From Luhmann’s point of view, for a system to serve as a target of analysis, some important aspects lie in the function of self-replication. Luhmann points out that a system with self-replicative capacities must have the following characteristics: 1. self-replicative systems are typically self-organizing or self-correcting, 2. a self-replication system continuously produces new elements and connected elements, 3. these interacting elements form a linked network. As such, self-replicative systems are typically self-organizing. First, the system organizes its internal structure through its self-replicative elements and, second, sets the boundaries of the system.¹¹⁰

As this thesis aims to analyze the issue of the labor movement, we can find that laborers in various social subsystems depend on their mobility to play various roles and to carry out various forms of social behavior, and the system itself also undergoes transformation, accepting new elements, or creating new system elements. The employment relation forms the basis of the relation between employers and workers in the economic system. Or we may see the relation of employment as the basis for the system of employment, and the employers and workers within the social structures of Taiwanese society confronting the changes in the political situation which affect the direction of society. For example, we can

¹¹⁰ Niklas Luhmann, “Society, Meaning, Religion: Based on Self-Reference,” *Sociological Analysis* 46, no. 1 (1985): 5-20, DOI: 10.2307/3710892.

see that Taiwan's foreign labor policy led to the opening up of the originally enclosed Taiwanese labor market, with employers, unions, guilds, workers, and political elements in the original employment system, having to react to the appearance of a new element —foreign labor —leading to newly formed concern with foreign workers through foreign workers NGOs and new NGO elements.

Consequently, the system unceasingly gives rise to new elements, and these interact with the original elements of the system. Then, how can we decide whether different elements belong to the same system? And in what way do these elements affect the system? Luhmann cites Umberto Maturana to respond:

*"An autopoietic system is defined as a unity through relations of production of components, not through the components that compose it whichever they may be. An autopoietic system is defined as a unity through relations of form (relations of relations), not through relations of energy transformation. An autopoietic system is defined as a unity through the specification of a medium in its realization as an autonomous entity, not through relations with a medium that determines its extension of boundaries."*¹¹¹

What should be clear is that between different elements of a system, their relation becomes the basis of a model, and in investigating these interactions —outside of behavior produced from mutual adaptation by elements of a system giving rise to new behavior —this leads the system to undergo structural changes to accommodate the new element produced from a changing environment. From the interaction of systems, each system continues carrying out different adaptation behavior, in order to adapt to the model of structural changes in the system. At the same time, this leads to the birth of new elements.

With this phenomenon, structural coupling plays a key role in serving as the basis of interactions between systems. Which is to say, as long as a system can preserve its existence, a system's structures will automatically and quickly develop connections with other systems. In this vein, if other structural systems exist in an environment or develop connections, these systems will develop mutual coupling. Namely, this coupling is "is a necessary consequence of their interactions, and is greater the more interactions take place".¹¹²

2.2.2. The use of feedback loop

What arises in this sort of situation is a structure-determined system in which systems and their constituent components are automatically organized and interact with one another, which leads to mutual coupling. These systems begin to demonstrate both isolated and mutual modes of operation, leading to their development into a larger, unified system.

Under these circumstances, for a system to be understood as mutually coupled expresses that this coupling happens naturally and cannot be controlled by any

¹¹¹ Humberto R. Maturana, "The Organization of the Living: A Theory of the Living Organization," *International Journal of Man-Machine Studies* 7, no. 3 (May 1, 1975): 313-32.

¹¹² Humberto R. Maturana. p.162

element. In attempting to understand structural coupling, this can, in some historical periods, contribute to limited analysis, including deducing that this structural coupling comes from the operation of a component or its new development. But this element cannot have the function of controlling the structural coupling because within structural coupling, what is key to note is that newly formed elements or changes in the system have an effect on the original components of the system, leading to a new environment, an unceasing loop, and this constitutes a kind of feedback loop within an enclosed system.

Maturana points out regarding this that this raises the philosophical problem of ontology, the key point of which is that, systems are spontaneous, continuing to maintain structural coupling. With any attempt to describe whether a system is stable, how a system controls itself or regulates itself, if the system is understood to have a structural coupled network, this only ever is the observer's surface-level description, with no ability to reliably describe whether a system is regulated, or has achieved so-called stability. In implementing social structural analysis, if we step back from an observer's point of view to regard things from the point of view of the system, if we attempt to describe the relation between the behavior social class structure and the system as a whole —because action is necessarily independent, specific, discrete, with regards to the possibility of prying out these elements individually and analyzing them —this kind of analysis constructs the presupposition that the system depends on behavior organized by class division to maintain a set order of phenomenon.

In other words, if we do not describe the transformation in a system from the point of view of structural coupling, we have no way to touch on the realities of the internal operation of a system, and under these circumstances, "Control and regulation are not operational phenomena taking place in the actual interactions of the components of a dynamic composite unity; they are descriptions of the course of these interactions, made by an observer ... (Maturana · 1982 Evolution: Natural drift. Unpublished manuscript.)"

Therefore, structural coupling is a spontaneous feedback loop resulting from a system and its components; it organizes, constitutes, and includes the entirety of a complex system. As such, structural coupling has three characteristics:

1. Structural coupling is the result of related changes in two or more systems. ¹¹³
2. If structural changes only comprise the interiority of one system, this will not lead to structural coupling. This is to say that only autonomous changes give rise to changes, and this may lead to the situation of being out of sync with the environment. ¹¹⁴
3. With a determination that made by a system that is entirely dependent on operational structure, this is not dependent on being initiated by the "aims" of specific components. When component A is unable to determine component

¹¹³ Humberto R. Maturana. p. 313.

¹¹⁴ Humberto R. Maturana. p. 313.

B's behavior, because of the structure of the system, every transformation experienced by components need to be unable to avoid the determination of other elements of the system.¹¹⁵

Maturana did not only point out that there is a need and importance of examining and parsing out systems and their constituent system elements, but under conditions of structural coupling, he also believed that in examining this behavior through structural analysis, what confronts a system and their constituent components involves causality. And so we must take the attitude of careful attention to conditions.¹¹⁶

For an observer, it must be firmly noted that an observer also has material existence in the world. Likewise, this observer must at the same time participate in the operations of the world, and the material existence of the observer must be constructed and analyzed according with stratification in the world. In order to understand the cause and effect relation between a system and its constituent elements and characterize this, in the process of this, the world that the observer perceives must have some definite characteristics.

Cause and effect exist in context of observation, because the concept of a relation and its descriptive paradigm are related —otherwise the observer could not describe the relation of two elements of a system as having definite existence within the overall paradigm and can believe that this is a characteristic of the paradigm that he is describing.¹¹⁷

Here, we might use the example of billiards. From the point of view of an observer, when the white ball rolls and hits other balls, what the observer sees is that the white ball has “led” the other balls to move, but that from the point of view of its counterparts, the white ball is the cause for transformation. The observer takes note of the relation between the white ball and its color counterparts in this, and may overlook that the other target is that the colored ball (in terms of texture, shape, and weight), and its color has decided that it would move and it what way it would be moved —not by the white ball.

So these systems are mutually coupled, but “control” in Maturana’s ontological viewpoint is something that is impossible. If so described, for there to be any series of events in terms of behavior demarcated in the system, and they must be separated. Which is to say, mutually sequential behavior has been described as “control” or “triggers”, or modular behavior, yet this is overlooking the fundamental structural nature of systems or their constituent elements, which decide “if” as well as “can” something be a factor for change.

As such, when we discuss “humans” according to analyzing the “relations of employment”, according to modes of exchange, divided between “employer” and

¹¹⁵ Humberto R. Maturana and F. J. Varela, *Autopoiesis and Cognition: The Realization of the Living*, 1st edition (Dordrecht, Holland ; Boston: D. Reidel Publishing Company, 1980). p. 120.

¹¹⁶ Humberto R. Maturana, “Biology of Language: The Epistemology of Reality,” in *Psychology and Biology of Language and Thought: Essays in Honor of Eric Lenneberg*, ed. George A. Miller and Elizabeth Lenneberg (New York: Academic Press, 1978), 27-63.

¹¹⁷ Humberto R. Maturana and F. J. Varela, *Autopoiesis and Cognition*. p. xviii.

“employed,” this overlooks that these identities of “employer” and “employed” are only valid under the conditions of the “relations of employment”. This also overlooks that “employer” and “employed” have the fundamental structural nature of being “human” in the social structure, and this is the key factor which influences them. The complex structural characteristics between “humans” and “society” is established in the social structural system.

“Human” forms the “social system” itself, and interactions with the environment and other systems lead to changes in the system. In other words, although the systemic structure sets the time for set transformations to take place, this kind of mutual action will also lead to changes in the system and determine the future direction of the system. As a result, a social system has an uncountable number of feedback loops, changing the structural adaptability and change, and can educate itself.

Although later researchers such as Niklas Luhmann¹¹⁸ or Gunther Teubner¹¹⁹ raised a differing view of “autopoiesis” as contrasted to “mutual compatibility, at the very least from the point of view of systems theorists, when a social system confronts changes, it must take some steps in order to maintain its existence and carry out the long-term preservation of its social aims. Social existence requires legal and political systems to “transform” and changes take place because of the social system passing through different periods of development—including social subsystems needing to pursue tactics for “replication”. In consideration of this “transformation”, first, this is a response to change; second, this is influence of “socialization” on members of society, with “political participation” constituting an aim that society pursues in change.

This kind of “society,” “environment,” processes of “transformation and socialization” are not unidirectional. The environment that society confronts produces change and socialization, which with which a change in the environment, society will also move inherently. This being the case, socialization will necessarily produce changes in society. On the other hand, with a changing environment, this produces new transformation and new social needs. Teubner emphasizes that the process of socialization is a form of “mutual coupling,”¹²⁰ produced by the interaction of social subsystems. With the fiction and conflicts between subsystems in the process of this coupling, because every system’s function, value, and norms are different, in these different levels, there will be times in which subsystems do not proceed completely in accordance with their norms, leading to circumstances produced by coupling.¹²¹

This line of reasoning, apart from explaining the validity of “transformation” and socialization, towards the interactions of the political system, legal system, and

¹¹⁸ The political system can only control itself, it cannot control the outside. Luhmann, 1989: 324.

¹¹⁹ Social systems confront disturbances and pursue adjustments to maintain order, up until stability is achieved. Teubner, 1988: 54.

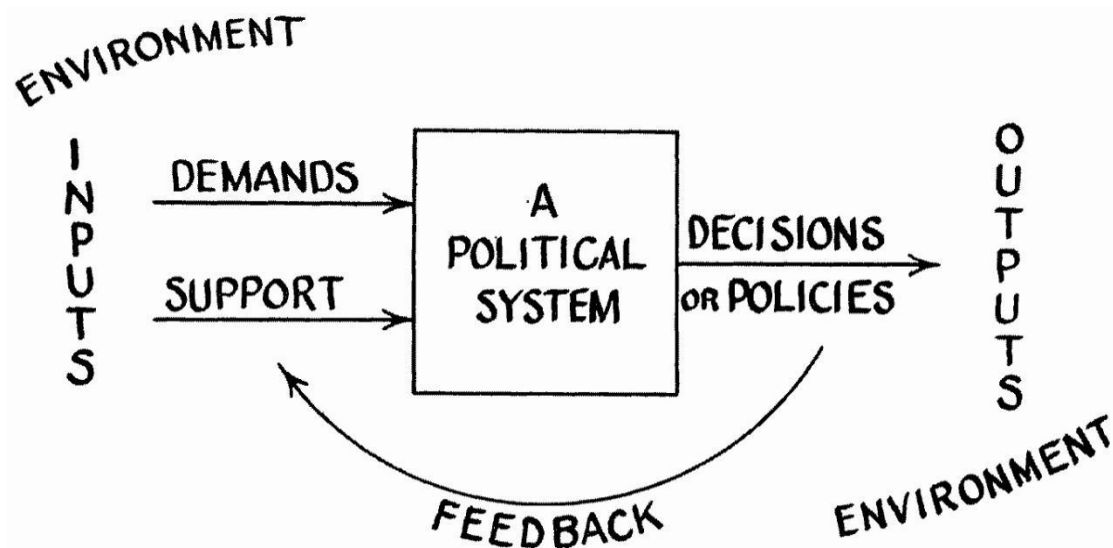
¹²⁰ Structural coupling.

¹²¹ Teubner, 1984:116.

economic system, provides for the probability of hypothesizing about them.¹²² In this way, for those who concern themselves with the mutual coupling of subsystems and their adjustment and correction, this more concretely explains “institutionalization” or “regulation” —apart from interpreting how society, because of its environmental needs —needs to produce change, and how “socialization” may conceal the true aim of change, or at least the actual effect it is intended to achieve.¹²³

Easton’s political system points out the interactive relation of these adaptive measures:¹²⁴

Figure 2.1. : Easton’s political system



Source: Easton, 1957

According to environmental influences, this leads the political system to continuously exert influence while also being influenced, and this returns to change in the political system, leading to an input-output cycle within the political system. Therefore, in the operations of a political system, this depends on the input-output processing capability, which constitutes political stability, as dependent on whether it can properly handle external pressure.

When a political system confronts supply and demand, it needs to through policy and appropriate political decisions, succeed in taking care of this external interference and source of pressure, to mold a system of values capable of sustaining society, which would allow this system to maintain stability. On the other hand, if this feedback loop is broken, this political system will disintegrate.

¹²² The interest of politicians lies in the maintenance of political power. The legal system will adjust the demand for this political system. The two will adjust and correct each other's operations. Teubner, 1982:13-15.

¹²³ Regarding the interrelationships among subsystems, Helmut Willke's theory of context control (Kontextsteuerung) believes that: on the one hand, each subsystem gradually tends to be dependent on one another, and on the other hand, it also operates itself in a closed manner. Willke, 1992: 341.

¹²⁴ David Easton, "An Approach to the Analysis of Political Systems," *World Politics* 9, no. 03 (1957): 383-400.

In other words, the stability of a political system depends on whether that political system is able to provide appropriate and effective changes in the realm of political considerations and decisions, as well as that the environment may provide stimuli in terms of changing supply and demand, leading to a complicated process of transformation. These supply and demand needs from environmental factors are inputs into the political system. Furthermore, in the contemporary democratic system, it is through civic participation on politics that, first, the political system is able to maintain operations and that, second, and this can provide the basis for a rational political system.

Feedback loops provide a continuous cycle of inputs and outputs as part of a feedback loop. But that a political system changes in response to new stimuli is not the key point.

To rephrase, every time a feedback loop reaches its end, a new feedback loop begins. Every time there is a stimulus is every time there is a new input and through the transformation of the systems, by way of the output control and institutionalization, it is very possible that this will only lead to effective changes for the sub-stimulus. But the control and institutionalization of outputs will form new input requirements in the face of changes in the external environment.

As a result, in this process of change, if there is “adaptability” and “effectiveness” in implementing changes to adjust to a feedback loops unceasing circulation, subsystems preserving order continue to mutually interact and influence each other. As such, Gregory Bateson would state: ¹²⁵

Therefore he (we)¹²⁶ cannot have a simple lineal control. We do not live in the sort of universe in which simple lineal control is possible. Life is not like that.

As such, in investigating how components of political participation proceed in a political system, other systems or the environment have a large effect on political participation and behavior. Along with this structural network, on the one hand, deconstructing and observing the constituent component of a system, perceives them as a networked series or connected changing factors of components. On the other hand, analyzing components of a system/actors as an attribute of social structure —apart from conflicting components/actors as an impetus for behavior —one also is able to supplement linear cause-effect explanations using theories regarding corporatism or social movement theory, because lacking the perspective of social systems theory, one may neglect historical fact, and how historical facts represent in itself the coupling of “components”/“actors”.

From this point of view, laborers, capitalist, and the government comprise “employers and employed” in the “employment system” of the economic system, the “servant relation” of the “governing and the governed” in the political system,

¹²⁵ Gregory Bateson, *Steps to an Ecology of Mind: Collected Essays in Anthropology, Psychiatry, Evolution, and Epistemology*, 1 edition (Chicago: University of Chicago Press, 2000). p.445.

¹²⁶ In the original text, Bateson criticized Paul Joseph Goebbels' view of linear social control. Here, in response, the author replaces we with he, to illustrate the limitations of the linear perspective in the context of thinking.

as “mobilizers and responders” in society, as well as in terms of social movements. In the overall system, each component produces a series of behavior in adjusting to each other, and at the same time produces change in the system directed towards the aim of maintaining structural integrity, reflecting changes in the environment as producing the possibility of changes in components.

Otherwise, the economic model of small and medium sized enterprises in Taiwan, with the explanation of gangsters becoming bankers,¹²⁷ cannot be seen as an important characteristic and cannot explain the “shared relation” between gangsters and bankers, as well as the element that it became in Taiwanese society in terms of comprehensive social influence.

2.3. Democratic theory as a basis for social systems theoretical analysis from a historical standpoint

In looking at the beginning of the Carnation Revolution which took place in Portugal, we observe that in Latin America and Asia, there occurred a wave of political transitions which came to be known as the Third Wave of Democratization.¹²⁸ During this there occurred many political transitions. In terms of these systemic changes, there were countries which became republics, as well as countries with oligarchical forms of government that agreed to become democratic, and countries with Communist systems that moved towards capitalism.

In examining this process, some countries completely changed their political systems, and some countries had two turnovers of political power, with a change in the political order of the system—even if this was not always stable. For political theory, admittedly, we can look at political change and its effect on not only the system as a whole, but subsystems and their mutual relations. Yet outside of this, what we confront is different culture, history, and geography, and this leads to confusion about the role of social factors. With the aim of analyzing the causes, structures, and processes of political transitions, from a micro-level systems analysis of the interaction systems and actors, we can see that the facts of political changes lead actors and related individuals/collectives to take on forms of action historical and cultural reasons, and we can make a more accurate picture of research.

In the historical development of political analysis, Aristotle’s Πολιτικά (Politics), divides human societies into oligarchies, democracies, mixed governments, tyrants/dictators, after which political science has continually distinguished between criteria for forms of government and attempted to standardize them.

With progress and the appearance of new forms of government, thinkers in different historical contexts have made different analyses of these forms of government. For example, in Roman times, Marcus Tullius Cicero distinguished

¹²⁷ GS Shieh, Heishou bian tou jia: Taiwan zhizao ye zhong de jieji liudong," Taiwan Shehui Yanjiu. Ho Ming-Sho, Zhiliposui de tuanjie (Rive Gauche Publishing House, 2016).

¹²⁸ Samuel p. Huntington, The Third Wave: Democratization in the Late Twentieth Century, vol. 4 (University of Oklahoma press, 1993).

between monarchies, aristocracy, and democracy. In the middle ages, St. Thomas Aquinas distinguished between monarchy and the multitude. In modern times divided the polity by the criteria of sovereignty in the social contract theory, distinguishing between a monarchy with sovereignty, a parliamentary aristocracy, and a democracy with all the subjects in power.

This phenomenon demonstrates how political scientists and sociologists have a large interest in attempting to understand how human societies distribute power. If in the context of history, there needs to be the ability to compare between different criteria for distinguishing political systems and the differences between different political systems and concepts in history, as a result of which researchers at different times, in different circumstances, have conducted analyses of political regimes.

Extending the notion of structural coupling between subsystems in systems theory, if there are different cultures, history, geography, and contexts, complicating social structural factors and their relation, this something that democratic theory needs to seriously consider. We must from the *historical* perspective of democratic theory proceed to studying newly developed democracies.

If the development of democracy is a line between the starting point of an authoritarian political system and the end point of a democracy, concerning scientific principles, the distinction between autocratic and democratic systems of government is very clear. However, we try to draw this line in terms of social reality, then what role does historical stages of development have in social systems theory?

To rephrase, between autocratic and democratic political systems, we cannot absolutely divide the two. There are differently developed democratic systems or grey zones, and there is no inevitability that a system will become a democracy — this cannot be without doubt.¹²⁹ For example, Larry Jay Diamond has formulated the notion of hybrid regimes, to distinguish between liberal democracies, electoral democracies, ambiguous regimes, competitive authoritarian, hegemonic electoral authoritarianism, and politically closed authoritarianism.¹³⁰ Other researchers, from different research perspectives, have made many distinctions between hybrid regimes, trying to determine what the key points needed for democratic development are.

2.3.1. The mosaic of democratic theory

Joseph Alois Schumpeter published *Capitalism, Socialism, and Democracy* in 1942, raising the question of how to define “democracy”:

¹²⁹ Thomas Carothers, “The End of the Transition Paradigm,” *Journal of Democracy* 13, no. 1 (January 1, 2002): 5-21, DOI: 10.1353/jod.2002.0003.

¹³⁰ Larry Jay Diamond, “Thinking about Hybrid Regimes,” *Journal of Democracy* 13, no. 2 (April 1, 2002): 21-35, DOI: 10.1353/jod.2002.0025.

*The democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote.*¹³¹

Distinguishing between the differences of different kinds of political regimes in the process of the production of political power throughout history, electoral voting is an important characteristic of democratic political systems, as distinguished from the divine right of kings or political authority based on descent. Through elections, the ruling power is decided, which, firstly, resolves the issues which come in non-democratic systems from attempting to pick successors. Secondly, this integrates social classes in the political system, rather than unidirectional responsibilities within a political system. Thirdly, the term limit that a ruling power serves has limits set on it, and it cannot be lifetime rule. In this sense, as "effectiveness" and "legitimacy" are preconditions for an electoral system, these also serve to test whether a political system is genuinely democratic. Scholars as David Collier and Steven Levitsky have defined the minimum conditions for having achieved democracy.

*Fully contested elections (are) with full suffrage and the absence of massive fraud, combined with effective guarantees of civil liberties, including freedom of speech, assembly, and association.....(and) that elected governments must have effective power to govern.*¹³²

According to this description, there are two means of dividing categorically between authoritarian regimes and democracy, and "free elections" serves as the minimum condition for "democratic order". But even if free elections are competitive, this does not mean that society has completely achieved democracy either. Namely, democratic elections also need to lead to the "effective power to govern," and this is also an important criteria that needs to be kept in mind with regards to democratic transitions.

What is the "effective power to govern"? The democratic representation provided for by elections needs to have vertical linkage to the highest levels of political power, so that elections can serve for political transitions of power between democratic representatives. Provided that democratically elected representatives fulfill their duties appropriately, with set term limits for serving in office, and the replacement of unfit representatives, vertical linkages should in this way allow for vertical accountability. The issue that vertical accountability needs to address is usually with regards to both comparatively large and small political responsibilities, in terms of both top-down and bottom-up political relations.

But for the operation of modern political systems, apart from deciding on democratically elected representatives through elections, at the same time, responsibility needs to be taken for administrative authority over the large and complex bureaucratic system, with regards to legal systems and institutions and

¹³¹ Joseph Alois Schumpeter, *Capitalism, Socialism and Democracy* (Routledge, 1976). p. 269.

¹³² David Collier and Steven Levitsky, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics* 49, no. 3 (1997): 430-51. P434.

civil society organizations. These mutually constitute components of the democratic system, which is not entirely decided through democratic elections, as a result of which, vertical accountability cannot be seen as the sole criteria of a democratic political system.

On the other hand, the interaction of these subsystems is not a top-down vertical relation, but exists with a state of horizontal linkages, and the normal operations of the democratic system depends on the operations and functions of these subsystems. Consequently, the subsystems of a democratic system need display horizontal accountability which, as explained in democratic theory, is division of power and the implementation of principles of checks and balances.¹³³

Through research into and the oreticizations made by these scholars, it is increasingly clear what the “effective power to govern” of a democratic system consists of. For an effective democratic system, outside of the indicator of democratic elections, the implementation of civil rights, political freedoms, functional factors of political authority and responsibilities, constitute the key factors of a democratic system of government and the process of democratization.

As mentioned above, Wolfgang Merkel has discussed the functional factors of democratic systems of government, as well as the links between the external and internal environmental interactions of social systems, conceptualizing the notion of embedded democracy. What this theory demonstrates is that functional factors interact with the environment while also raising the issue of how we should evaluate newly formed democracies. Merkel believes that modern democracies should form a complete civil society, and that, from the point of view of government, the government of civil society is inevitably composed of an electoral system, political freedom, citizenship, power and accountability, and effective governance capabilities.

In confronting economic development and economic needs, through functional factors and the interaction of situational pressures, this leads to corresponding reactions, and these form the political structure of an embedded democracy. Furthermore, according to this view, modern forms of government have the clear characteristic of complicated and specialized systemic structures. In what does these specialized structures develop and change?¹³⁴ Regarding the question of whether a democratic system is effective or can be long-lasting, it is not only important to have criteria to point to as indicators of a democracy but also what the key factors for the consolidation of democracy are.¹³⁵

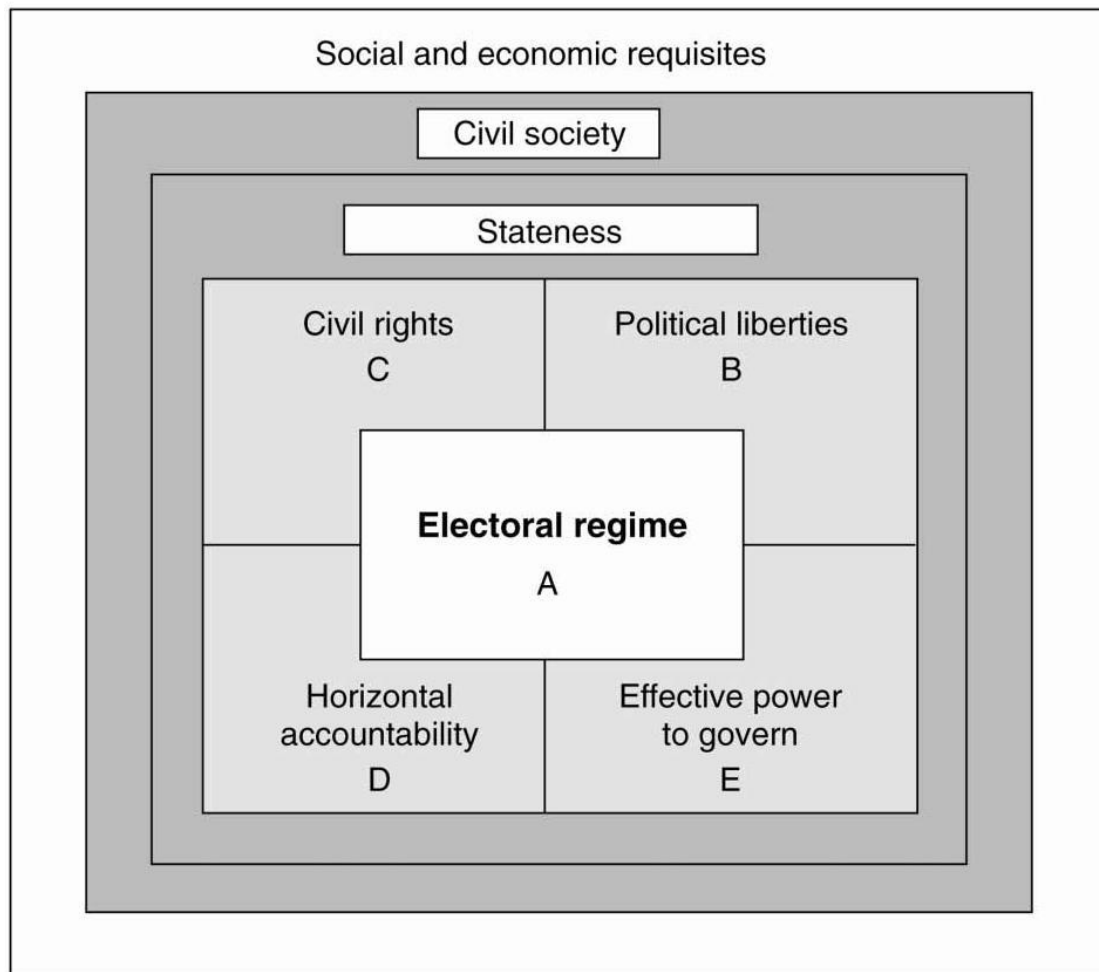
Figure 2.2. : Merkel’s the concept of embedded democracy

¹³³ Andreas Schedler, Conceptualizing Accountability, in Andreas Schedler, Larry Jay Diamond, and Marc F. Plattner, *The Self-Restraining State: Power and Accountability in New Democracies* (Lynne Rienner Publishers, 1999). p.23.

¹³⁴ Wolfgang Merkel, “Embedded and Defective Democracies,” *Democratization* 11, no. 5 (2004): 33-58.

¹³⁵ Wolfgang Merkel. (2011). Return of the Dictatorships? In *A Future for Democracy*. Konrad-Adenauer-Stiftung.

FIGURE 1
THE CONCEPT OF EMBEDDED DEMOCRACY



Source: Merkel, 2002

Merkel believes that in terms of categorizing nations, a liberal democracy includes the following sub factors: 1. a democratic electoral regime, 2. political rights of participation, 3. civil rights, 4. horizontal accountability, and 5. effective power to govern.¹³⁶ The key point in evaluating democratic development is that in the process of political development, elections taking place at regular intervals does not mean a democratic system is successful, as the changes of an electoral system do not necessarily indicate whether the process of institutionalization has taken place, or as to whether elections are free and equal for all members of society. Only with protection of voting rights and civil rights can the results of elections assure that the results of an election ensure the effectiveness of government of a democratic system.

The following chart indicates five criteria for democratic systems of government and with detailed articles, with a total of ten items. These ten items constitute ways of defining embedded democracy for our research purposes.

¹³⁶ Wolfgang Merkel, "Embedded and Defective Democracies." p. 36.

Figure 2.3. : Merkel's dimensions, partial regimes and criteria of embedded democracy

FIGURE 2
DIMENSIONS, PARTIAL REGIMES AND CRITERIA OF EMBEDDED DEMOCRACY

- I. Dimension of vertical legitimacy
 - A. Electoral regime
 - (1) Elected officials
 - (2) Inclusive suffrage
 - (3) Right to candidacy
 - (4) Correctly organized, free and fair elections
 - B. Political rights
 - (5) Press freedom
 - (6) Freedom of association
- II. Dimension of liberal constitutionalism and rule of law
 - C. Civil rights
 - (7) Individual liberties from violations of own rights by state/private agents
 - (8) Equality before the law
 - D. Horizontal accountability
 - (9) Horizontal separation of powers
- III. Dimension of effective agenda control
 - E. Effective power to rule
 - (10) Elected officials with the effective right to rule

Source: Merkel, 2004

Apart from the five criteria for embedded democracy outlined above, what is further important is that for Merkel, outside of that the political form of government and social situation, must be linked, he believes that a democratic form of government, for the sake of adaptability to the current regime, has to possess structural conditions to introduce complexity —whether in terms of internal social factors, or unceasingly changing external factors. Democratic systems of government must establish definite structures in order to complete each functional demand.

Concerning internal factors of the political system, the different elements that constitute a political system, on the one hand, mutually interact, depend on one another, and are embedded within on another. On the other hand, each is also independent, and this ensures the norms and specifications of the political system.

From the outside, these form the interactions of embeddedness in the political system, and are beneficial for the norms of the democratic system, and protect the system from internal external factors, allowing for the maintenance of stability. Which is to say, in the course of the democratization of a political system or society, apart from inspecting these five criteria for the internal composition of a democratic system, a democratic system at the same time needs to have a civil society, and the social context, economic context, and orientation towards

international social —need to be mutually embedded, in order to achieve a stable democracy.

Consequently, for what is lacking in a system of government, without these five conditions, with a constitutional system unable to carry out its functions. The political system that results instead is a defective democracy. In other words, if these five conditions are not properly embedded, this cannot constitute a free democratic system. Merkel designates the following criteria:¹³⁷

I. Authoritarian regime

II. Defective democracies

- A. Exclusive Democracy: one or more segments of all adult citizens are excluded from the civil right of universal suffrage.
- B. Domain democracy (Tutelary democracy) : the veto powers - such as the military, guerrillas, militia, entrepreneurs, landlords or multi-national corporations —take certain political domains out of the hands of democratically elected representatives.
- C. Illiberal democracy: the principle of the rule of law is damaged, affecting the actual core of liberal self-understanding, namely the equal freedom of all individuals.
- D. Delegative democracy: Governments, usually led by charismatic presidents, circumvent parliament, influence the judiciary, damage the principle of legality, undermine checks and balances, and shift the equilibrium of the balance of power unilaterally in favour of the (presidential) executive.

III. Liberal democracy

A point we should note here is that defective democracies do not necessarily cross over from an autocratic regime to a liberal democracy, finding themselves unable to transition. Defective democracies have their political rights, and under certain social, economic, and culture conditions, and may be able to preserve their modes of operation.¹³⁸ But from another point of view, these four categories of defective democracies do not have clear definitions, and in some case studies, defective democracies evidence hybrid structures. Which is to say, these four categories are not exclusive categories, and each category can include the characteristics of other subcultures.

These four categories are divided based on the ten criteria previously outlined:

Chart 2.1. : Four categories of democracy

	Electoral regime	Political liberties	Civil rights	Horizontal accountability	Effective power to govern
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¹³⁷ In the statistical table on page 51, according to 2002 data, Taiwan is classified as a liberal democracy. Wolfgang Merkel. p. 49-52.

¹³⁸ Wolfgang Merkel. p.48.

Exclusive Democracy	n/a	n/a	n/a		
Domain democracy				n/a	n/a
Illiberal democracy			n/a	n/a	
Delegative democracy				n/a	

Source: Organized by the author

According to what has been shown through research, if countries with newly established democracies are categorized as defective democracies, there is not simply one reason of this, with a series of factors, leading to effects on political actors obtaining historical opportunities to take power, and leading to the failure of constitutional government to be achieved, and an evasion the demands of political accountability. Consequently, research into defective democracies needs to begin from taking into account the path of modernization, level of modernization, economic trends, social capital, civil society, economic trends, state and nation building, the type of authoritarian predecessor regime, transitional modus, political institutions, and international context.¹³⁹

2.3.2. Characteristics of embeddedness

The notion of embeddedness in the concept of embedded democracy, apart from describing that a democratic political system, first, internally uses participatory elections and their results, to decide on institutional political changes in terms of the structural coupling of members / structural factors to produce a situation. On the other hand, externally, elections allow members of society can confront the environmental factors to constitute a social-economic challenge. This kind of internal and external embeddedness demonstrates how liberal democracy confronts internal and external factors, and has the ability to address these issues more than other political systems.

As such, Merkel divides the characteristic of “embeddedness” into “internal embeddedness”¹⁴⁰ and “external embeddedness”.¹⁴¹

2.3.2.1. Internal embeddedness

In examining nations, a liberal democracy must include the five factors previously described, and these factors need to be related in order for there to be mutual “embeddedness.” Consequently, “embeddedness” demonstrates that factors prop up each other and, on the other hand, demonstrates that each factor has its independence and that, if not “embedded,” they are “integrated.” In this way, the

¹³⁹ Wolfgang Merkel. p. 52.

¹⁴⁰ Wolfgang Merkel. p. 43.

¹⁴¹ Wolfgang Merkel. p. 44.

five criteria of a liberal democracy prop each other up, and serve as checks and balances for one another.

Each democratic factor is independent and also props the other up, with mutual and independent protection and factors, without infringing on one another. In other words, Democratic factors are reliant on one another while also being mutually independent, and this is what “embeddedness” consists of. These factors cannot be alone, whether vertically or horizontally accountable, ensuring the effectiveness governance of a democratic system.

As such, Merkel believes that, concerning this notion of embedded democracy, as compared to electoral democracy, his theory of embedded democracy has the following traits:

1. Can accurately detect the defects present in a defective democracy.
2. In the process of researching a country’s democratization, we can make it a research goal to compare their internal flaws.
3. For political systems that already have elections, we can research through other democratic factors or systematic analysis why do they stagnate or regress.

2.3.2.2. External embeddedness

From the diagram of embedded democracy, one can see quite clearly: Democratic structures of government form the basis of national structures, including in an environment capable of sustaining democratic development. This external circumstances are not limited to democratic political systems, but this external circumstance and democratic political systems have an embedded relationship, as pertinent to the possibility of whether a democratic system of government advances or fails. Provided that external situations and their embedded relation with a democratic political system are disrupted, this will lead to the appearance of defects in the democracy and an uncertain political situation. Merkel believes that there are three of these external circumstances of utmost importance, divided between social-economic context, civil society, and international integration.

1. Socio-economic context

Merkel believes that the socio-economic factors of economic development and inequality have a large influence on democratic political systems. Although he believes that in using economic factors to evaluate the development of democracies is theoretically crude, it is undebatable that economic development is important to the consolidation of democracy. The course of economic development gives rise to many unequal circumstances, which can provide a basis for the disruption of democracy, and can influence the direction of an economic system of government’s development.

From the perspective of political development, poorer citizens have lower levels of education, degrading their opportunities for political participation, and there are many empirical and legal examples in which poverty as an extreme form of inequality leads the poor to become disadvantaged in the exercise of their civil and

political rights. As O'Donnell and Hermann Heller emphasize, citizens should have a sufficient shared economic base between them, in order to have equal opportunities to participate in politics. Namely, only if citizens have assurances of sufficient socio-economic development and education can they arrive at individual points of view, and can they take up their civil rights.

As such, Merkel believes that special characteristics of the external embeddedness of socio-economic contexts and whether democracy can continue development are economic development, preventing poverty, diversification of social structure, equality in socially material resources as well as educational resources and their distribution serve as whether the democratic system of government can stabilize or continue to develop. On the other hand, economic stagnation and circumstances of social inequality, can endanger the stability and character of democratic systems of government.

2. Civil Society

Merkel believes that a developed civil society can strengthen the stability of a democratic system of government. He describes this in terms of four functions: Protection from Arbitrary State Rule: The Lockean Function, The Balance between State Authority and Civil Society: The Montesquieuian Function, The School of Democracy: The Tocquevillian Function, The Public Sphere: The Habermasian Function. He believes that civil society can defend individuals from arbitrary detention by the state, and supports rule of law and balance of powers, as well as civic participation and recruiting political elites, institutionalization of the public domain, and supports civil society serving as a self-reflective mechanism for government.

In Merkel's theory of embedded democracy, civil society is externally embedded via the state apparatus, and if civil society is able to fulfill these four obligations, on the one hand, it can strengthen social democratization, stabilizing and self-organizing, and can provide oversight and support for the state apparatus, bringing about democracy, particularly with regards to constitutional governance.

3. International Integration

Democratic governments are able to in international organizations and international society is mutually coupled. This has a large influence on the stability and quality of democracies. Merkel raises the examples of NATO, ASEAN, Mercosur, the UN, and the EU to provide comparisons:

- If joining an international organization is only for a specific aim, such as military cooperation or economic development, authoritarian regimes, defective democracies, and democratic countries can have coalitions, because their internal power structure is subject only to specific political goals for the sake of foreign policy security. But this kind of stable circumstances has no way to allow for the development of democratic effectiveness in authoritarian regimes or defective democracies, because these set political aims are not sufficient to give rise to embedded circumstances.

- The EU's effectiveness in achieving international integration is the most successful example of embeddedness to date, because conditions for joining the EU include governments working towards high standards and providing assurances of constitutional governance. These conditions and demands for economic and democratic reform are very useful in terms of promoting democracy, on the one hand, stabilizing young democratic countries and, on the other hand, promoting the advance of democracy in these young democracies.
- The embeddedness of democracy and economic development in the EU, allows EU member states to establish a strong mutual interest and democratic values, with member countries, leading to the embeddedness of the economy and democracy, allowing the EU to become the world's unique and unmatched economically integrated bloc, since 2004 stabilizing the 10 new western and eastern European member states.
- As such, Merkel believes that if democratic systems can give rise to increasing levels of external embeddedness, this will both consolidate democracy and make it more flexible. Internal factors will menace external factors less and less, with interactions between factors growing more and more intimate, and cooperation becoming larger and larger. What is worth noting is that with this kind of cooperation becoming stronger and stronger, elements of democracies and their mutual interactions and respect for one another will become higher, reflecting that the entire regime will become more and more democratic.

The opposing circumstance is that, the degree of external embeddedness is very weak, and that mutual respect and cooperation between democratic regimes will become weaker and weaker and that political regimes become more and more like deficient democracies. Which is to say that in a democratic system of government, these between democratic factors, embeddedness needs to take place, otherwise integrated relations are not only for the sake of appearing integrated. The more closely the democratic elements cooperate with each other, the stronger their individual independence is.

For political systems in the ongoing process of democratization, Merkel argues on the a discovery made through embedded democracy theory: that in newly emergent democracies after 1990, although with the establishment of elections, it appeared as though there were large opportunities for political participation and that there were assurances for the rights of citizens, a deeper analysis shows that only having elections and no importance given to emphasizing embedded democracy internally or externally led there to be no way for internal structural coupling or external environmental changes in the environment, and that this led the government to be stuck in the stage of consolidating democracy, and there to be no way of reaching liberal democracy. This kind of stagnant democratic development, can be thought of a process blocking democracy, and a defective democracy.

Merkel and Croissant in 2004, as based on the theory of embedded democracy and research into newly emergent democracies in Asia, although different indicators

suggested that Taiwan had developed into a liberal democracy in 1996,¹⁴² and at the same time, they pointed to that Taiwan was still in the stage of consolidating democracy.¹⁴³ This seemingly contradictory conclusion actually accorded to embedded democracy theory's presuppositions towards electoral democracy: elections do not necessarily mean liberal democracy, the key point being that the meaningful content of elections guarantee rule of law, civil laws, and horizontal accountability.¹⁴⁴ Again, from the point of view of internal embeddedness and external embeddedness, Taiwan has long been not embedded in international society and instead appears sealed away out of international society. As such, in terms of looking at what externally embedded factors Taiwan lacks as well as seeking explanations as to the course of Taiwanese democratization, this embeddedness is lacking, and this has had a heavy influence on Taiwan, something worth noting.

Continuing this line of thought, if we consider Taiwanese workers, what kind of embeddedness and interactions did Taiwanese workers have with other social elements? For workers, was there embeddedness or integration with democratic factors? In the aforementioned research, we discover that, for Taiwanese workers, particularly regarding workers' participation in politics, the attempt was made by political centers of power to integrate workers rather than to embed them, leading to workers have limited integration into the range of political participation, and a degree of isolation. In theories of democratic integration, the closer the internal elements of democracy are, the more closely they respect each other's independence.

We might discuss this from the three aspects of external integration: the socio-economic context, civil society, and international integration:

As described in the first chapter, in contemporary Taiwanese society, Taiwanese workers confront low salaries and long working hours, as well as, in context of the social structure, the fact that education contributes to class stratification. The lower paid workers are, the longer hours they need to make income, and with the passing of "yili yixiu 2.0" labor policy,¹⁴⁵ workers are not allowed overtime pay, and there is a large gap between actual time worked and time worked based on the law. Furthermore, with the demand for flexible work hours at the behest of

¹⁴² p. 165, Aurel Croissant, "From Transition to Defective Democracy: Mapping Asian Democratization," *Democratization* 11, no. 5 (2004). p. 51, Wolfgang Merkel, "Embedded and Defective Democracies, 2004.

¹⁴³ p. 157, Aurel Croissant, "From Transition to Defective Democracy: Mapping Asian Democratization," *Democratization* 11, no. 5 (2004).

¹⁴⁴ Wolfgang Merkel and Aurel Croissant, "Conclusion: Good and Defective Democracies," *Democratization* 11, no. 5 (2004).

¹⁴⁵ After 2017 elections, the Democratic Progressive Party instituted the "yili yixiu" system of changes to the Labor Standards Act after it passed its third reading December 6th, 2016, and these changes were implemented starting on January 1st, 2017. The concept was originally to have two days off per week, but this was changed to one set day off per week and one "flexible rest day" with workers still having the rest day included in salary calculations. In the process of amendments, the amount of public holidays that workers had was cut by seven. On October 31st, 2017, newly appointed Premier William Lai, listening to the demands of industrial groups claiming difficulties following the implementations of new policy and the loss of overtime opportunities for workers, allowed for more flexibility for employers in proposing a new version of the "yili yixiu" system. This thesis will refer to the 2016 version of the "yili yixiu" as "yili yixiu 1.0" and the second revision as "yili yixiu 2.0" in order to avoid confusion. See the following:

capitalists granted by the Executive Yuan, workers are unable to increase their pay and made to sacrifice their weekends, making them unable to take care of their families on the weekend as other social classes are able to do.

Under these circumstances, workers are not give enough rest time to restore their energy, and workers still have to pay expenses for their family members. How can workers have the time to participate in political activities, then? In other words, from the socio-economic context, contemporary Taiwanese workers do not have equal opportunities to participate in democratic politics and lack the conditions to use their civil rights in that regard, and have no way to embed themselves with other classes in society, leading them to become an isolated system.

From the perspective of civil society, contemporary Taiwanese laborers have become a “minority voice.” This is to the extent that the DPP would claim of protests against the Labor Standards Act that, “Workers’ groups are not serious in protesting, it’s just an audio recording played during protests,” and claiming that, “Serious workers need to make money, so they are all working.”¹⁴⁶ As described in the first chapter, the Taiwanese labor movement was “institutionalized” during the course of democratic development, with protest activities required to meet “social expectations” without being too loud in order to avoid influencing other people’s rights. Protest actions’ demands had to be “according to the law,” If all social protests had to be “according to law,” then where is the space for the development of social resistance? There not being social protests or different voices from society was considered peaceful, and even as what a normal civil society should look like.

At least from the perspective of international integration, Taiwan is a very clear example. There was no way for Taiwan to become a regular member of international society, as up until today, it remains excluded from international organizations. On this point of Taiwan’s embeddedness in the international community, this was a large negative influence the lack of development in Taiwanese society. The ruling political elites usually did not have contact with international viewpoints and closed off the country, encouraging only contact with select countries,¹⁴⁷ and they said, “You don’t have to necessarily come back right away after getting your Ph. D”,¹⁴⁸ this reflects how in Taiwanese society not only organizations structurally but on the level of the individual, this led to Taiwan being sealed off and not being embedded or integrated with international society.

Up to now, Taiwanese society has remained highly divided: from the shift of political power from the evolution of the political system, in the process of amending the Constitution, although military force entered into the process of democratization, Taiwan was thought by many researchers to be a newly

¹⁴⁶ Dai Qi-xiu, “Dou fang luyindai qiuyiyiing qiang lao tuan kangyi bu renzhen, *NOWnews jinri xinwen*, December 4, 2017, <https://www.nownews.com/news/20171204/2656183>.

¹⁴⁷ When the KMT was in power, it emphasized policy directed towards China. The DPP emphasized the New Southbound Policy when it took power, emphasizing ties with Southeast Asian countries. This indicates economic thought based on the industrial manufacturing chain, taking economic issues as a social issue.

¹⁴⁸ Zonghe baodao, “Liuxuesheng huiguo shiji? Ma Ying-jiu: Na dao boshi bu yiding yao jizhuo huilai.” *ETtoday xinwen yun*. November 17, 2012, <https://www.ettoday.net/news/20121117/128623.htm>.

democratized country. But for the ruling authorities to become a normal country, but after amending the Constitution, only social issues which would have led to a social explosion were amended while high benchmarks for constitutional amendment and special political systems were used to restrict other issues, leading Taiwanese social movements and civil society groups to become left out of the constitutional government and with constitutional government failing to advance in Taiwan.

As such, labor groups and the labor movement are important participants in Taiwanese democratization, whether in the authoritarian period or in the period of Taiwan's democratic transition, democratic consolidation, or the present. During this time, different political forms of participation and institutionalization of forms of political participation and change, relying on embedded democratic theory and the policy changes then can serve as a means of analyzing Taiwanese democratization, allowing us to more deeply examine the process and character of Taiwanese democratization and what direction the future of Taiwan's democratic development may follow.

2.4. Strategic and conflictive groups: The case of Taiwanese workers' political participation

2.4.1. Strategic and conflictive group theory

The thesis discusses the means by which Taiwanese workers participated in political activities at different periods of time, for the sake of appropriately describing the form of this participation, through the interaction of social subsystems. I have decided to use "strategic and conflictive groups", a means of analysis drawn from structuralism, to contextualize the political participation and behavior of Taiwanese workers in the political arena.

Due to different cultures, socio-economic contexts, and historical backgrounds, if one attempts to theoretically describe the conditions for democratization across the world using only a single theoretical framework, this will be very difficult, particularly due to difficulties in understanding social development. Outside of this, using only one theoretical framework may lead to difficulties in meeting the demands of social theory. Although one may pursue satisfactory explanations based on the social sciences, researchers must use different theoretical frameworks and apparatuses to understand research topics and conduct new forms of examination.

Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald's strategic and conflictive group theory raises this research question, intending to create a new point of departure for research into democratization.

(SKoG ist) nicht als Theorie, sondern als Versuch einer alternativen methodischen Annäherung an Prozesse des politischen Wandels in Entwicklungsgesellschaften und Schwellenländern.

Not only is this a theory, it raises a research methodology for the political changes of developing nations and newly emerging countries.¹⁴⁹

In other words, strategic and conflictive group theory analyzes the factors for democratic development from both a theoretical and concrete point of view, using concrete means to make new connections. Consequentially, the aim of strategic and conflictive group theory is to expound objective structural and subjective relations, to create a complete discourse to establish specific action factors. In this kind of understanding, strategic and conflict group theory substitutes for democratic development theory. This kind of analysis examines the macroscopic connections that must occur and so in one respect, it is an objective research method of systems theory. On the other hand, through analyzing micro-level political connections, it serves as a means of analysis to explain the ebb and flow of social factors.¹⁵⁰ The aim of this is analyzing the factors behind the political changes and course of democratization in a country and their relation, as well as the appearance of internal social factors and balance of power.

In ihrem Reader über "Demokratisierung und politischen Wandel. Das Konzept der strategischen und konfliktfähigen Gruppen (SKOG)" haben die Herausgeber eine Synthese von Akteurs- und Systemansatz im Visier gehabt, unter Fokussierung auf die Dialektik zwischen Interessengruppen an der Macht und ihren konfliktbereiten und konfliktfähigen Herausforderern. Demokratisierung wurde hier als eine Kombination von sich wechselseitig verstärkenden Faktoren verstanden, die sich als den konkurrierenden Intentionen und (gegenläufigen) Handlungen der strategischen und konfliktfähigen Gruppen einerseits und den sie begrenzenden Systemstrukturen andererseits ergeben woraus ein Systemwechsel entsteht.

In the process of "democratization and political reform strategic and conflictive group theory" is advanced by the author as a means of integrating actor theory and systems theory methodology, expounding the interest of those in power, and the clashes which result from those holding power. Democratization has been understood as the strengthening of mutual relations and ties between social factors; on the one hand, strategic and conflictive group theory, attempts to explain conflictive action and, on the other hand, the limits of their systematic structure, leading to the development of change.¹⁵¹

Here, the interest of groups in power (Interessengruppen an der Macht), is referred to as strategic groups (Strategische Gruppen):

Strategische Gruppen (SG), die meistens in einer Regimekoalition zusammengeschlossen sind, kontrollieren die politischen und ökonomischen Ressourcen einer Gesellschaft. Sie besetzen mit ihren Sachwaltern die

¹⁴⁹ Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald, *Demokratisierung und politischer Wandel. Theorie und Anwendung des Konzeptes der strategischen und konfliktfähigen Gruppen* (Münster, 1994). p. 57.

¹⁵⁰ Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald. p. 57.

¹⁵¹ Gunter Schubert and Rainer Tetzlaff, *Blockierte Demokratien in der Dritten Welt..* p. 12.

staatlichen Institutionen und verfügen somit über einen unmittelbaren Zugriff auf das staatliche Gewaltmonopol und die Staatsrevenue (Renten).

Strategic groups typically assemble as political alliances to control politics and economic sources of a society. Strategic groups and their supporters hold power over the state apparatus and use such means to directly obtain political power and the national finances.¹⁵²

But the conflict between strategic groups and political interest groups in society (konfliktbereiten und konfliktfähigen Herausforderern) leads to political interest groups becoming conflictive groups (Konfliktfähige Gruppen).

Demgegenüber wenden sich die konfliktfähigen Gruppen (KoG) gegen die bestehenden Macht- und Verteilungsverhältnisse. Soweit sie über ein hinreichendes Droh- bzw. Verweigerungspotential (Konfliktfähigkeit) zur Durchsetzung ihres (partikularen) Gruppen- oder Standesinteresses verfügen und bestrebt sind, dieses Potential aktiv für ihre gemeinsamen Ziele gegen die strategischen Gruppen einzusetzen, werden sie zu wichtigen Beförderern des politischen Wandels - vorausgesetzt, sie können sich auf gemeinsame Ziele und Handlungsstrategien einigen.

Strategic groups oppose conflictive groups; they oppose those who currently hold power and their distributive relations. Conflictive groups have enough ability to threaten or otherwise come into conflict with strategic groups, through special communities or demonstrations organized by individuals sharing interest, hoping to use conflictive force to promote their shared aims and protest strategic groups, serving as key actors forcing strategic groups towards reform, and using shared aims and action strategies to achieve this.¹⁵³

The existence of strategic groups and conflictive groups is not an a priori definition for the sake of theoretical development, it is formed through historical observation, as a concept arrived at through systematic analysis. Political systems possess a fundamental tension between the state and society, and this tension gives rise to the forms of political systems, naturally determining the course of political reforms through the clash between the two. These two social forces are the basis of strategic and conflictive groups

In analyzing particular political systems, there is a fundamental division between mainstream strategic groups as opposed to conflictive groups. This may look like an artificial division, but this is from the fundamental tension between the state and society which leads to development of a political form (degree of authoritarianism versus degree of democratic development).¹⁵⁴

Dieses unterscheidet, bei der Betrachtung eines gegebenen politischen Systems, zunächst prinzipiell zwischen (herrschenden) strategischen und (oppositionellen) konfliktfähigen Gruppen. Eine solche, auf den ersten Blick

¹⁵² Gunter Schubert and Rainer Tetzlaff. p. 28.

¹⁵³ Gunter Schubert and Rainer Tetzlaff. p. 28-29.

¹⁵⁴ Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald, *Demokratisierung und politischer Wandel. Theorie und Anwendung des Konzeptes der strategischen und konfliktfähigen Gruppen.* p. 68.

künstlich erscheinende Trennung ergibt sich aus dem grundsätzlichen Spannungsverhältnis zwischen Staat und Gesellschaft und der daraus resultierenden Form politischer Herrschaft (bzw. dem Grad ihrer autoritären oder demokratischen Substanz).

On the one hand, from a macroscopic historical and social structural analysis, for strategic and conflictive group theory, political reform and democratizations is a response of socially internal factors to the result of situational changes. Hence, observing the conflict between strategic and conflictive groups, we analyze the changes and ebb and flow of their forces from a macroscopic historical and social structural analytic point of view. By way of this kind of theoretical framework, Schubert and Tetzlaff categorize the different factors which influence social systems into three categories, and analyze political reform in terms of the conflict between strategic groups and conflictive groups and their relation to social conditions¹⁵⁵:

1. Subjective personal factors (subjektive personale Faktoren): Strategic groups reaching compromises; challengers deciding to take risky actions; trust in an opposition leader,
2. Structural system factors (strukturbildende Systemfaktoren): The legacies of colonialism, heterogeneity in the social culture of residents; the movement of unequal resources; the characteristics of traditional factors giving rise to system internal factors
3. External environmental interests (externe Umweltinteressen): Encouraging or blocking influence; the external factors of political actors

On the other hand, in examining micro-level social factors, we can use strategic and conflictive group theory to analyze how the whole of society breaks down into social factors, such as how these social factors organize. Schubert and Tetzlaff draw out four questions to ask concerning social factors with regards to strategic and conflictive groups:¹⁵⁶

1. The position of individual social components in the production process and the national economy means one must first confirm what gives rise to social components and the types of social classes they belong to.
2. Whether social characteristics are structurally specific or shared.
3. Whether these are a specific or shared characteristic deriving from racial structure.
4. Whether it is a specific resource, which leads to whether it has the possibility of leading to a conflictive potential or a threat, as used to implement goals or attain interests.

This being the case, social reform begins from antagonistic as well as complementary groups, leading to the purposeful behavior of strategic and

¹⁵⁵ Gunter Schubert and Rainer Tetzlaff, *Blockierte Demokratien in der Dritten Welt*. p. 12-13.

¹⁵⁶ Gunter Schubert and Rainer Tetzlaff. p. 70.

conflictive groups. Various social factors can be situated in social hierarchies and social structures, without the necessary conditions to become strategic groups and conflictive groups. As such, groups that seek power to defend their own interests may take on strategic behavior, and their behavior and aims sum up whether they support the current system or support become an opposition, thereby distinguishing between social sectors that belong to strategic or conflictive groups.¹⁵⁷ What is worth noting is that under special historical circumstances, these social factors may lead to the phenomenon of groups forming alliances, suggesting the importance of political transformations and describing a key factor of political reform.

In examining the aims of strategic groups, strategic groups control the economic forces of social resources, and unceasingly strive for political power and leadership. Strategic use the public sector and bureaucracy to recognize and recruit social elites. Strategic groups also use private sector resources for their goals.

Therefore, the strategic groups that form part of the coalition of powers will benefit from the advantages of obtaining state monopoly power and state finances, thereby benefiting the overall interests of the group. Through the expansion of their control over social resources, strategic groups can maintain political stability and use the state apparatus and their control of social resources as an opportunity to advance their personal interests. To achieve this kind of behavior, strategic groups need to make their views the mainstream views of the nation and society, and use this as a means of solidifying power in the political and social structure.

As for the aims of conflictive groups, conflictive groups oppose those currently holding power and their distributive relationships. On the one hand, they have the capacity to contend and defend and expand their interests in society. On the other hand, at the same time, they fervently use this capacity to challenge strategic groups (Konfliktbereitschaft).¹⁵⁸ Concretely speaking, the aim of conflictive groups in strategic and conflictive group theory are as follows:¹⁵⁹

- To participate in the political rights of a country.
- To obtain more in terms of social distribution, to ensure and enlarge what they obtain materially.
- To promote and spread their personal religion or culture.
- To raise individual or group prestige or through internal contestation to raise their abilities to convey what the group advocates.

¹⁵⁷ Gunter Schubert, Rainer Tetzlaff, and Werner Vennwald, *Demokratisierung und politischer Wandel. Theorie und Anwendung des Konzeptes der strategischen und konfliktfähigen Gruppen*. p. 80.

¹⁵⁸ Preparing for conflict is not unique to conflictive groups. For strategic groups, anticipating and responding to conflict is something that they also do. As such, preparing for conflict is actually the common behavior of both strategic and conflictive groups.

¹⁵⁹ Gunter Schubert, Rainer Tetzlaff, and Werner Vennwald, *Demokratisierung und politischer Wandel. Theorie und Anwendung des Konzeptes der strategischen und konfliktfähigen Gruppen*. p. 69.

- To advocate modernization (in terms of western secularism) or oppose modernization (to advocate their original religion), i.e. to preach this set of values or oppose outside influence and call for returning to what the system of thought present in a country originally was.
- Given the control of economic power by strategic groups, to defend their specific interests.
- To break from the cultural hegemony of strategic groups and to protect their cultural or religious identity¹⁶⁰:

As for how to measure which social elements have the active potential to give rise to conflicts, this returns to conflictive groups, which for this need the characteristics described below:

- Formal institutionalization, for example: Political parties, associations, unions, or social protest movements.
- Consistency and unity in terms of ideology, both of which can influence how the public views their political reputation or political esteem, both key factors.
- Legitimacy, whether this is related to position, traditional beliefs, or “hero” figures.
- Potential to mobilize urban masses.

In conclusion, from a macro-level view of society strategic and conflictive group theory, involve various social factors, as observed in analyzing class, social structure, and national culture. Those factors, at least on some level, depend on social circumstances or involve groups that are socially similar in terms of their circumstances. Every group has its own sources of authority in determining whether it supports the current dominant social force, or whether it advocates reform, for protecting or enlarging its social interest.

At the same time, various social components can at any time strengthen their self-identification or sense of group identity. When the right historical opportunities occur, they may take action to protect their own interests. As these actions are strategic in nature, this guides the groups’ purposeful behavior. Again, this is what gives rise to the two extremes of political behavior vis-a-vis the political system, in determining whether to support the current system or support opposing views advocating reform. This is the basis for social groups being able to be divided between strategic groups and conflictive groups¹⁶¹:

Zusammenfassend läßt sich somit sagen, daß strategische und konfliktfähige Gruppen Personengruppen sind, die, aufgrund einer tendenziell gleichen gesellschaftlichen Lage ihrer Mitglieder, ein kollektives Bewußtsein entwickeln und gleichzeitig über spezifische Machtressourcen oder Konfliktpotentiale verfügen, die sie zum Zwecke ihrer Interessenrealisierung zielgerichtet (strategisch) einsetzen.

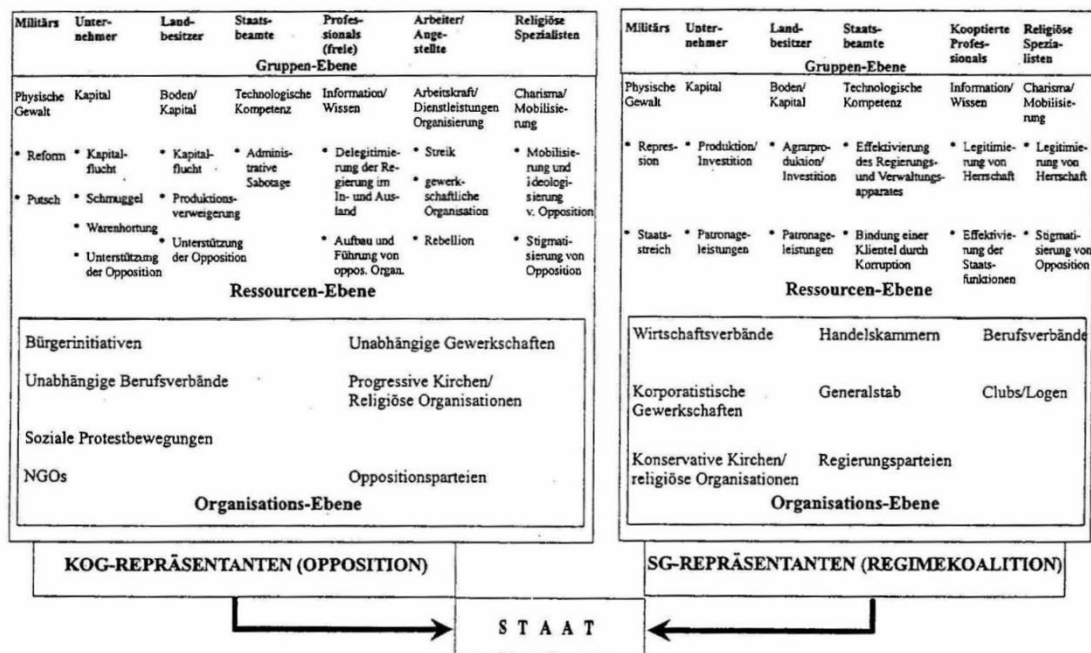
¹⁶⁰ Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald. p. 69.

¹⁶¹ Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald. p. 71-72.

*In sum, strategic groups and conflictive groups are groups that develop collective consciousness because of the tendency of their members to have same social status, and at the same time have specific power resources or potentials for conflict that can strategically realize their interests.*¹⁶²

Through strategic and conflict group theory, political change, and the specificity and contextuality of social factors, is described in the following diagram:¹⁶³

Figure 2.4. : Schubert and Rainer's strategic group and conflict group



Source: Gunter Schubert and Rainer Tetzlaff, 1998.

2.4.2. Analyzing the agency of Taiwanese workers

More often than not, the influence of political reforms does not demonstrate itself right away afterwards, nor do reforms have consistency in how they affect the social interests of members of society. In what was described previously regarding the economic conditions confronted by Taiwanese workers —returning to the process of democratization and the circumstances they had to endure in the process of democratization —this set of circumstances has led to doubts and a lack of confidence in the democratic system. One explanation for this is that this was not a misunderstanding of democracy, but the result of what workers experienced from various social elements through the process of democratization and an inability to conduct situational analyses that were incisive enough.

Taiwanese workers confronted political changes under different historical periods, whether or not in terms of whether workers were directly causes of historical change. At the very least, from in discussing changes in workers' political participation, we can research the foundations of workers' active roles. For

¹⁶² Gunter Schubert, Rainer Tetzlaff, and Werner Vennewald. p. 74.

¹⁶³ Gunter Schubert and Rainer Tetzlaff, *Blockierte Demokratien in der Dritten Welt*. 1998. p. 34.

example, in the representative system, seats originally reserved for workers were removed, industries were liberalized, and single level unions became many level unions, etc.

Apart from analyzing the active role of Taiwanese workers from the point of view of social structures, whether due to culture or racial factors, Taiwanese workers became divided in different historical periods, leading to the inactivity of Taiwanese workers, with a lack of collective consciousness. For example, divides occurred between workers with regards to language, ethnicity, public versus private sector workers, etc.

What influences led Taiwanese workers in the course of political transformations to decide to become members of strategic or conflictive groups, as well as what kind of strategic behavior or what kinds of decisions did these groups carry out in the pursuit of taking action for strategic aims? Through this kind of analysis, we can clearly see that Taiwanese workers confronted institutionalization were limited by the cultural context they existed in, setting limits on the aims they pursued, their behavior, and their group identity. This is needed to conduct an in-depth analysis of the role that Taiwanese workers had in terms of Taiwanese democratization.

Using strategic and conflictive group theory to conduct a class analysis, social structure and racial-cultural divides led to divisions between workers. Whether divided groups were strategic or conflictive groups, they had to possess social positions and shared aims similar to strategic and conflictive groups, so in analyzing and comparing the different collective identity of different groups, with regards to goal-oriented cooperation, we can examine how members of different groups attempted to pursue shared aims or compromised in doing so. Through this kind of analysis, we can explain political change and the relation between the active roles of workers, in order to describe historical fragmentation and raise the level of social scientific analysis.

Which is to say that, in analyzing Taiwanese labor's activity according to strategic and conflictive group theory, an important aim of analysis is to observe that strategic and conflictive groups, in preparation for conflict, needed to strengthen their group self-identities and depend on their relations. When conflict takes place, groups aim to searching out other groups to ally with. Lastly, after a period of conflict had come to an end, there were members of social groups have shared collective interests to protect or expand.

Again, Taiwanese workers were divided up into different social groups based on different characteristics, and in terms of these groups' interactions, members of these group's attitudes and behaviors had an influence on political transformation. As such, we can explain how members of each social group would effectively mobilize in taking collective action depended on being able to grasp sources of authority, and forming group identification and collective identity. This had an influence on one's ability to form alliances and form larger groups.

As based on the process of whether workers participated in strategic groups or conflictive groups, on the one hand, this displays self-identification, and in terms of seeking similar or homogeneous social elements to cooperate with. Nevertheless, situations in which self-awareness is compromised or compromised by group consciousness would lead to an inability to form alliances with other social elements consequently. Therefore, the strategic nature of a group of people is manifested in the pursuit of their common goals. Members of such groups pursued long-term strategic actions for the sake of their interests, in order to preserve them, and to adjust or change the form of government in their lives, to realize the concrete aims of strategic groups.¹⁶⁴

In this context, groups depended on their aims in order to solidify a group identity. Confronting changes in the social situation and external environment, groups will accept changing demands or levels of greater or lesser control and regulation. On the one hand, changing demands represent a deep-seated desire to, at the very least, find the lowest common denominator of agreement. On the other hand, a goal-oriented decision is made to ensure the likelihood of that decision being carried out, forming a collective aim. In this process, strategic ability consists of gathering strategic information, deciphering it, analyzing strategy, drawing up a strategy plan, carrying out a strategy, organizing, learning, and etc.¹⁶⁵

Accordingly, social activity and aims, formed collective group consciousness mind can be analyzed as the important characteristics of different groups. For subsequent research in analyzing the active role of Taiwanese workers, we might begin from the following points:

- Was there a strategic nature to segmentation of Taiwanese workers between the strategic and conflictive groups?
- What was the cooperative behavior of Taiwanese workers and their group consciousness?
- The activity of Taiwanese workers and political transformations
- The activity of Taiwanese workers and their paths for political participation

2.5. Conclusion

¹⁶⁴ Thomas Heberer and Gunter Schubert, "作为战略性群体的县乡干部(上)——透视中国地方政府战略能动性的一种新方法," trans. 刘承礼, *经济社会体制比较*, no. 01 (2013): 83-93. p. 86.

Thomas Heberer and Gunter Schubert, "Zuowei zhanlue xing qunti de xian xiang ganbu (shang)--toushi zhongguo difang zhengfu zhanlue nengdongxing de yi zhong xin fangfa," trans. Liu Cheng-li, *Jingji shehu tizhi bijiao*, no. 01 (2013): 83-93. p. 86.

¹⁶⁵ Here we need to make a supplementary explanation. Although this article discusses strategic groups, the strategic nature of the strategic group—pursuing the formation of group identity in order to achieve the common goal, is also something that conflict groups do. Therefore, at this level, strategic groups and conflict groups have the same strategic nature. That is, both groups pursue the formation of group identity in order to achieve the realization of common goals, but only in different ways: strategic groups choose to support the existing, and strategic groups seek to support the opposition to accomplish political changes. Thomas Heberer and Gunter Schubert. p. 88.

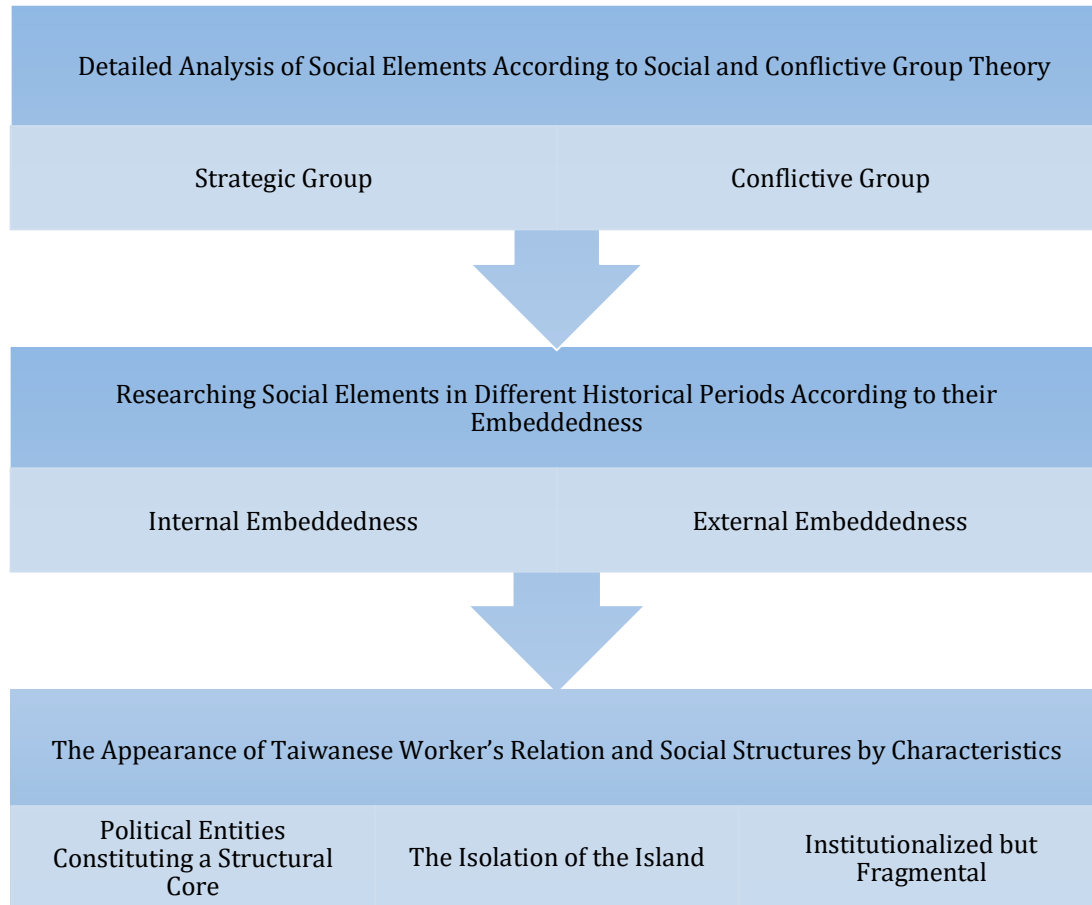
According to strategic and conflictive group theory, first, Taiwanese workers constitute a social component of society and in this process, workers have the ability to choose as to whether to preserve the current system or to support the opposition in conducting political changes. Second, in terms of class analysis, social structure and racial-cultural differences lead to divides in terms of social groups, and these different groups share similar social circumstances and live in similar social situations. This molds group identity, leading to whether in the course of political transformations, one becomes a member of strategic or conflictive groups. This leads us to the following topics worthy of further investigation.

- Why has the organization of Taiwanese workers become divided into different categories? In the first chapter, we described different historical periods led to class differences, social structure, and racial and cultural differences, such as between private sector and public sector workers, workers in nationalized industries, as well as low-level office workers, and how these were workers or employees under contemporary regular conditions. But these different historical periods led to workers having either strategic or conflictive qualities, and without deep inspection and analysis, we cannot decipher the contradictory influences on political change.
- Examining the aims of strategic groups and conflictive groups, social changes leads these two groups to prepare for conflict. However, with historical opportunities, both groups will seek opportunities according to strategic behavior in a manner that cannot necessarily be explained from the point of view of the aims of a specific group, such as with the results of political changes, such as with changes to labor law. It usually requires a period of time and interactions with subsystems for one to observe what these changes have on the system as a whole. In seeking new explanations for both group's behavior, particularly regarding what other background influences there are, there is a need to provide an account of what leads to political transformations.
- Workers and other related social elements, such as such as labor unions, labor movement groups, or opinions leaders, appear in different periods of historical change, form alliances, and split, or dissolve. Apart from analyzing their behavior in terms of strategic and cooperative groups, what other influences are there on these social components and other subsystems, internally and externally? Through analyzing social stratification, we may contribute to clarifying the facts and analyzing the collective views of contemporary Taiwanese workers towards democratization and the situations they confront.
- As such, this thesis will subsequently concern itself with this question, starting from the categorizations made by strategic and conflictive theory, analyzing the relation between Taiwanese workers and other social elements, and the embedded relationship between these components and their social circumstances, showing clearly how in Taiwanese social system which individual social, cultural circumstances and influenced the structural coupling of Taiwanese social systems and how Taiwanese laborers were unable enjoy the

fruits of democratization that other social classes did —including with regard to the possibility that workers may have lacked an active role in the process of democratization.

The process of democratization is described in the following diagram:

Figure 2.5. : Research diagram



Source: by the author

According to analysis of social elements on the basis of social and conflictive group theory, much like the diagram of social elements as described by social and conflictive group theory, on the one hand, we can clearly see the position and relation of each social element. On the other hand, in describing this, social structure is not unchanging, and it is the process of political transition, opposition parties and parties holding power change political positions, which leads to changes in social elements regarding the original division between strategic and conflictive groups.

Furthermore, social and conflictive group analysis bases its analysis on categorizing political aims, and as such, in conducting analysis of social elements in different historical periods, from comparing a contrasting currently predicted aims and results —supposing that the two are different —then there must be other forces affecting or even reversing the original intended aims and results.

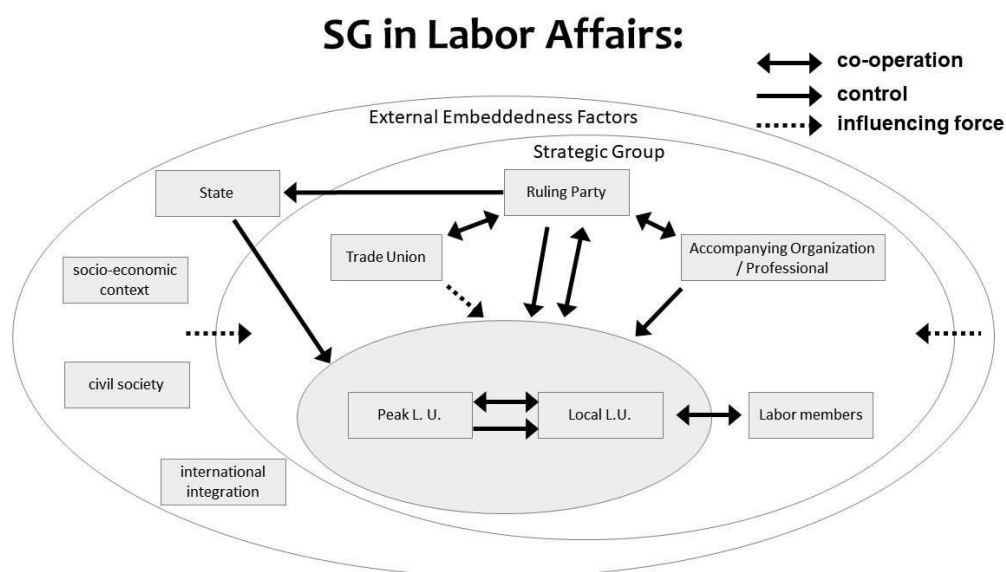
Figuring out what these other forces are will allow for subsequent research to become more comprehensive.

Why do workers in different historical periods decide to become members of strategic groups or conflictive groups? To rephrase, what is the active role of workers? Their motivation consists of being happy to see the groups they support becoming/continuing to be governing forces, or hoping that the groups they support will be able to defend and expand the interests of workers in the political field, particularly with regard to the economic interests of workers. This is the aim which leads laborers to become members of a group, hoping that politics or legal institutionalization will become a safeguard for workers confronting difficult circumstances.

For workers to hope and try to influence the political or legal system, such action concretely represents all of kinds of behavior by workers in terms of political participation, such as labor groups seeking legitimacy, taking up representative participation in politics, supporting specific candidates or political parties, institutionalization of consultation between labor and management, perfecting aspects of labor law, etc. As a result, for the sake of workers being able to express themselves and having the right to participate in politics, it is important to examine whether workers' political participation can allow workers to enter the political arena. This is also another research aim of this thesis: in different historical periods, why does workers' political participation increase or decrease? What are the causes of fluctuation?

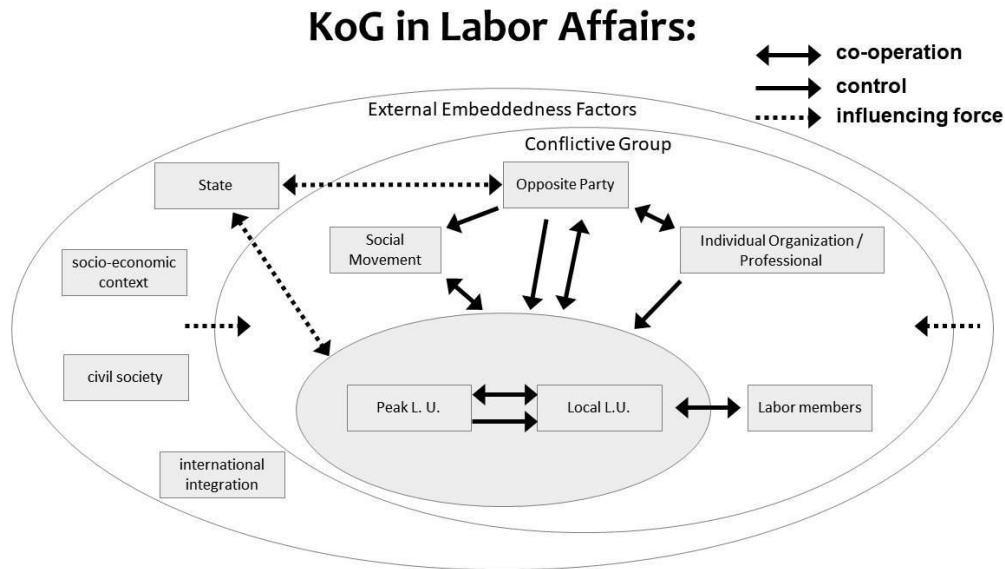
The following diagram indicates the viewpoint from which this thesis will investigate workers' political participation, in terms of the social relations outlined through social and conflictive group theory.

Figure 2.6. : Diagram of labor relations within strategic groups



Source: by the author, adapted from Thomas Heberer and Gunter Schubert, 2013

Figure 2.7. : Diagram of labor relations within conflictive groups



Source: by the author, adapted from Thomas Heberer and Gunter Schubert, 2013

From the standpoint of analyzing Taiwanese social structures, owners of enterprises, functionaries, professionals, and employees are key groups in terms of labor relations, with divides between them in terms of class, information, knowledge, labor power, organizational power, and sources of mobilization. From the perspective of social behavior and organization, they can organize civic advocacy activities, social protest movements, organize guilds, labor unions, associations, form coalitions, and by other means, form alliances in order to protect their shared interests.

From a historical point of view, the leaders of labor unions play a key role in terms of whether labor relations lean towards strategic groups or conflictive groups. Consequently, Taiwanese worker's political participation should be analyzed first from the individual level: how at certain points in time, under certain conditions, some individuals come to hold certain positions. Under the influences of institutionalization in the course of Taiwanese democratization, what kind of changes take place in the process of political participation? In what way, then, do we answer our core research question: Can workers implement political participation in the process of democratization? If the aims of workers' political participation and those of democratization are not the same, then what kind of influence does this have and what kind of results does this bring about?

3. Up to 1945: Taiwanese society before the authoritarian period

Before formally discussing the main research topic, we should first discuss a fundamental point of departure in the development of Taiwanese society. From 1895 to 1945, Taiwanese social development took place under conditions of Japanese colonization. The political system of the Republic of China that formed in mainland China later became another influence on Taiwanese society when the KMT government entered Taiwan in 1945.

In the course of historical transformations in Taiwanese society, this history shape the Taiwanese labor relations which have continued up to the present. We should make a distinction in our discussion of history as it contributes to Taiwanese labor relations. Firstly, such history is a background factor that should be elaborated upon. On the other hand, the lasting characteristics of society and culture which contribute to Taiwanese labor relations in the course of historical development will be a focus of our discussion here.

In particular, after the KMT entered Taiwan after the Sino-Japanese War, with the adaptation of the KMT party-state and the imposition of martial law, led research into the Japanese colonial period's influence on the modernization of Taiwan to remain confined to discussion of the construction of infrastructure. But with the opening of thought that came with the political transition of power in Taiwan, this led Taiwan studies scholars to begin research different from previous research, which took only the standpoint and political point of view of Chinese history.

This can be seen in the school of thought which asserted that we should begin from Taiwanese geography, focusing on the humanities and constructing "Taiwan-centered history", drawing circles outward one by one to understand the international world.¹⁶⁶ Hsu Cho-yun criticized this "Taiwan-centered theoreticization"¹⁶⁷ as "from the perspective of the rulers" and "too narrow".¹⁶⁸ Likewise Shih Chih-yu believed that "Taiwan-centered theoreticization" merely attempts to establish a personal point of view, and occludes broader historical consciousness.¹⁶⁹ The implications of this approach in terms of identity is reflected in the academic vocabulary used in Taiwan Studies. For example, among scholars with different points of view, the "Japanese colonial period" will be referred to differently as the "Japanese colonial period" (日治) by those with Taiwanese identity or the "Japanese occupation" (日據) by those with Chinese identity, and the resulting research has different points of view.

What kind of points of departure should Taiwan research start from in order to avoid underlying politics leading to flaws in logic? However, what one cannot

¹⁶⁶ Tu Cheng-sheng, *Xin shixue zhi lu*, Taipei: Sanmin Shuju Youxian Gonsi, 2004. Tu Cheng-sheng was Minister of Education from 2004 to 2008, advocating "de-fascization," "liberalization," and "localization."

¹⁶⁷ Academia Sinica, under the supervision of Tu Cheng-sheng

¹⁶⁸ Lin Yi-ting, "Ditu zhuan 90 du du zhengsheng" in *Huan jiaodu kan Taiwan*, *United Daily News*, May 25, 2004.

¹⁶⁹ Shi Chih-yu, "taiwan zhongxin lun xu jieshou jianyan", *China Times*, July 1, 2005, <http://www.npf.org.tw/1/15196>.

avoid mentioning is that theories which “focus on Taiwan as a center” have led much Taiwan research to reconsider the socioeconomic relations of the Japanese colonial period in a way not limited only to discussion of infrastructure. With the change in political atmosphere after the 1990-2000 political transition of power opening up new research directions, more researchers are able to freely decide on their fields of research and to look at first-hand historical data from the Japanese colonial period. This includes both official Japanese government documents and those of Japanese researchers at the time, providing much new material for research.

In addition, this has led many scholars —whether through fieldwork or conducting interviews, to race against time in order to preserve more first-hand research materials. More generally, the lifting of martial law and political transition of power has led to an opening up of the academic world. In the past, one could not research such topics except with risk of arrest, or would encounter difficulties obtaining funds to research such topics. As such, one could only touch on these topics, or could only research them outside of Taiwan. These new historical perspectives have emerged and new historical data has been dug out by researchers,¹⁷⁰ leading to changes in Taiwanese social perspectives that have made the academic world more diverse.

As such, the social changes of Taiwan and China in the past century will be discussed in this paper, as well as the socio-cultural and socio-economic relations of the Japanese colonial period. The government system formed by the KMT government in China will also be described at length, as constituting part of the background for the present research, and as a starting point of analysis.

3.1. Taiwanese society during the Japanese colonial period

The end of the First Sino-Japanese War in 1895 led Taiwanese political governance to be ceded from the Qing Dynasty to the Japanese empire. This lasted until 1945, when political governance transferred to the Republic of China. During these long fifty years of Japanese colonization, Taiwan was transformed from the agricultural society that existed during the Qing dynasty to a level of social development mixing agriculture and industry, as a result of colonial planning and infrastructure development.

From the standpoint of social progress, the influence of the Japanese colonial period on Taiwan is markedly visible, particularly in terms of industrialization (Yu Chien-ming 1995, Lin Lan-fang 2001 and 2003, Tsai Lung-pao 2006, Zeng Guo-ming 2008, Wang Yu-feng 2012, Chen Li-xu 2015, Chen Ling-chieh 2016, Lee Wen-huan 2017), education (Yu Chien-ming 1995 and 2005, Lee Li-ying 2009, Xie Ming-ru 2010, Zeng Su-qiu 2006, Wang Yao-de 2011, Xu Pei-xian 2013, Cai Yuan-long 2017), and institutionalization of social relations (Ka Chih-ming 1990 and 2003, Chen Zhao-yong and Ka Chih-ming 2005, Zeng Yao-feng 2011, Zheng Shui-ping

¹⁷⁰ Here, so-called “new” does not refer to the birth of something new from a biological perspective, but the process of through breaking the gaps in history formed in the course of martial law.

2011 and 2012, Liu Jiayong 2016, Xiao Xu-zhi 2016, Wu Hao-ren 2017) forming all kinds of embedded factors which have lasted up until the present.

Industrialization led the economic structure of Taiwanese society to shift from being characterized by traditional agricultural villages to industrial cities as constituting the primary economic mode. The large family-style economic settlement of the agricultural model gradually began to change into the form of employment of skilled workers and small family economies. With the establishment of a planned system of education, on the one hand, this led the original networks of human relations that existed in Taiwanese society to change from focus on the traditional family to expand to include “teacher” and “student”, “master” and “disciple”, “boss” and “worker”, and similar forms of stratified social relations. “Institutionalization” in Taiwan led to further progress towards “industrialization”, and “education” led to a strengthening of social relations, forming a new social order.

3.2. Society in the course of industrial development

Electrical power is the modern basis of industrial development. During the Japanese colonial period, no pains were spared in development of electrical power. However, due to differences in terrain, transportation, and pace of development, this led electrical development to have different characteristics on the east and west coasts of Taiwan.

As Lin Lan-fang has pointed out in her research,¹⁷¹ Taiwanese electrical development in the Japanese colonial period can be divided into several periods. During the time of the Qing Dynasty, Japanese troops invaded Taiwan as caused by the Mudan incident in 1874, and the Qing court only became aware of this invasion because of communications from the English. As a result, in 1877, telegram wires were laid down from Tainan to Kaohsiung, as a way of informing troops of the situation.¹⁷²

By the time Taiwan was handed over to the Japanese in 1895, Ting Jih-chang, and Liu Ming-chuan, the two Qing Dynasty governors had laid down more than 1,400 li¹⁷³ of wire as well as some urban lighting.¹⁷⁴ This points to that, before the Japanese colonial period, there was the embryonic development of an electrical system in the form of the telegram system that was installed in Taiwan by the Qing

¹⁷¹ Lin Lan-fang, "Taiwan zaoqi de dianqi jianshe (1877-1919), *Journal of History*, National Taiwan Cheng Chi University, No. 18 (May 2001): 243-76. Lin Lan-fang, "Ri zhi shiqi dong taiwan de minying dianli shiye (1917-1944)," *Eastern Taiwan Studies Association*, No. 8 (December 2003): 93-142, DOI: 10.6275/JETS.8.93-142.2003.

¹⁷² Outside of military briefings, telegraph lines also benefited commerce. Ding Ri-chang of the Zongli Yamen, for example, said the following regarding Taiwan (Guangxu Year 3, Month 2, Day 24, 1877): "Much as with the railroad, electric cables are also useful. When there is no incident, they can be used for commerce, when there are incidents, it can notify troops; it has great use."

¹⁷³ 1 li in the Qing Dynasty is equivalent to 576 meters. 1400 li equals 806.4 kilometers.

¹⁷⁴ Lin Lan-fang, "Taiwan zaoqi de dianqi jianshe (1877-1919), p. 256. "The Qing dynasty measured a li as about 500 meters."

court. Outside of military use, this was opened to commercial use, and electoral systems for use by citizens and industries were used.¹⁷⁵

After the Japanese colonial period began, apart of purchasing and expanding the Qing dynasty's telegram system into a telephone system, electrical systems for use by citizens and industry were established, using Taiwan's natural resources to construct hydroelectric power plants. Laws were passed to encourage publicly and privately-run electrical enterprises.

Even on the narrow eastern coast of Taiwan, where transportation is difficult, Japan also vigorously promoted the construction of electricity for the sake of developing an industrial base. According to statistics in 1920, 32% of Taiwanese had installed electrical lights, with 61% in Hualien, more than 42% in Taipei and 37% in Kaohsiung. Journalists from the Taiwan Shinpo described Hualien as having city lights like the daytime, indicating the level of industrial development that Taiwan had reached during the Japanese colonial period.¹⁷⁶

Like other countries entering the process of industrialization at this time, female participation in the workforce gradually increased, including some industries in which women became the majority of the labor force. In 1920, the number of employed men to women was 1,081,667 men to 311,809 women.¹⁷⁷ According to reports by the governor-general collated by Yu Chien-ming, in 1930, teachers, midwives, nurses, switchboard operators, and typists, were new industries that women worked in.¹⁷⁸

According to Yu Chien-ming, these new industries all had the special characteristic of being responses to industrialization and collective development, as a part of the encouragement by the authorities as well as the initiative of women. In the course of conducting interviews, Chen Ling-chieh¹⁷⁹ discovered that outside of what is recorded in official statistics about switchboard operators, there were many poor or short-term workers. Many interviewees described their work process then, beginning to work part-time while still studying during their time as students, attending class during the day, and working as a switchboard operator during the night. "Many female students were working then, including high school students, girls in convents, Japanese people, and Taiwanese people."¹⁸⁰

After Taiwan became part of Japanese territory in 1895, not three years after, 910 kilometers of railroad had been laid.¹⁸¹ The main objective was to complete the

¹⁷⁵ Extra Low Voltage Systems, shortened to ELV, are used for telecommunication, with relatively low voltage. They do not have enough voltage for industry or electric appliances. In the early process of industrialization, extra low voltage systems were used, and this can be an index of industrialization.

¹⁷⁶ Lin Lan-fang, "Ri zhi shiqi dong taiwan de minying dianli shiye (1917-1944),"

¹⁷⁷ Cai Yuan-long, Zhang Shu-mei, Huang Ya-fang, "Ri zhi shiqi beigang nuzi gong xuexiao jaoyu shi zhi yanjiu," *Shi bei jiaoyu xue kan*, No. 56 (April 2017), 1-27, p. 19.

¹⁷⁸ Yu Chien-ming, "Ri ju shiqi taiwan de zhiye funu", (Department of History, National Taiwan Normal University, 1995), National Central Library, p. 26 -30

¹⁷⁹ Chen Ling-chieh, "Yu xian qing cuo hua cai tong: Ri zhi shiqi taiwan de dianhua ny jiexian sheng," *Jindai zhongguo funu shi yanjiu*, No. 27 (June 2016): 95-190.

¹⁸⁰ *Ibid.*, p. 130

¹⁸¹ Cai Long-bai, "Ri zhi chuqi taiwan de daolu shiye", *Academia Historica Bulletin*, No. 7 (March 2006): 85-129, DOI: 10.7058/BAH.200603.0085.

takeover of Taiwan as soon as possible, to use Taiwanese manpower and natural resources as an economic base of development for the Japanese empire. Such railroad construction not only had the aim of transportation, but also to provide links between rulers and the ruled. Tsai Lung-pao relates that during the start of the Japanese colonial period, in 1896, the governor-general of Taiwan, Kabayama Sukenori, asked army commander Oyama Iwao to send engineers to work on constructing infrastructure, as well as office workers to carry out diplomacy and other work, including sending special technical personnel, who had to be sent especially from Japan.¹⁸² Describing the personnel situation he stated, "The language is illogical, it is hard to transmit commands, and this leads to sluggish administration for both small and large matters. What is key is that there is no ability to make general announcements to the public, and it is difficult to get people to be honest. As such, we need to rebuild the fort, setting up a prime minister and mayor."¹⁸³

On July 12th, 1895, Keelung governor Iizukuin Kanaru assembled premiers and mayors in order to explain to them that local construction needed to recruit manpower, stating, "Although we have the aim of regulating local road taxation, the country currently does not have a system capable of this. However, the state of the roads is highly related to the people's welfare, so if we do not use funds from the national treasury in order to renovate the roads, local residents will have to pay for their use."¹⁸⁴

In other words, the ruler eventually imposed local taxes for the repair of roads. But before the implementation of this system, it was hoped that mandatory labor could serve for the repair of city roads. Originally, Iizukuin Kanaru was concerned about how this information could be conveyed, but unexpectedly had good results, with gradual improvement. This transition of using forced labor was a means of supporting the infrastructure of a modern country, and on the one hand, was a means of avoiding the possibility of protest from people in the process of imposing this new system of governance.

On the other hand, using taxes in order to create local construction allows residents, land (homeland), and the political rulers to develop embedded social relations. This allows for a change in the relation between colonizers and colonized, gradually forming the relation of a nation and its citizens. That is, this allowed Taiwanese people to have the image of constructing their own nation. The image of this constructing of the nation in the course of actual social life was not that of the feudal system of the Qing Dynasty, in which the empire was far away. This kind of embedded social structure can also be observed similarly in the use of indigenous labor in eastern Taiwan.

¹⁸² Ibid., p. 94

¹⁸³ Ibid., p. 116

¹⁸⁴ Wang Xuexin and Xu Shou-ming, "Ri zhi shiqi dong taiwan diqu yuan zhumin laodongli zhi liyong," Eastern Taiwan Studies Association, No. 4 (December 1999): 35-72, DOI: 10.6275/JETS.4.35-72.1999.

According to Zeng Guo-ming's research, using the example of Ziguan Township in Kaohsiung County, we can see the transformation in economy and administration from the Qing dynasty to the Japanese colonial period:¹⁸⁵

During the Japanese colonial period, the governor-general allowed a portion of the men to be elected as part of a local assembly. With land and household registration, Ziguan was incorporated into "digital management." Land sales, taxation, and titles became very clear, very different from the unclear circumstances which existed under the Qing dynasty. In line with administrative power and regional division of the land, national power gradually became rooted in the land.

Chen Xu-yu and Liu Jin-tian,¹⁸⁶ in comparing Taiwan with the economy of other colonies dependent on sugar cane, conclude that the governor-general's office managed the relations between sugarcane farmers and sugar factories, which allowed Taiwanese farmers to maintain a high level of quality and volume of production even when confronted by foreign capital. This was achieved through agricultural promotion corporations, improving the quality of manpower, improving variety, encouraging the early use of fertilizers and constructing water conservancy projects.

This led to differences between Taiwan and other colonies, illustrating that in the course of Taiwan's economic development, the government was an important promoter of the economy and this began early in the Japanese colonial period. Economic growth led to the advancement of social infrastructure projects, leading to Taiwanese people having trust in their government's management, and also forming the relation between the government and the people, which tended towards positive and open development.

Outside of the changes brought about in terms of infrastructure and in trading ports in Taiwan, the amount and quality of trading ports in Taiwan also grew, according to the findings of previous research. Lee Wen-Huan¹⁸⁷ examines the changes in functions and trades of Taiwanese ports, looking at the content of imports and export, from which one can see an underlying characteristic of economic development in Taiwanese ports during this period.

Lee raises the example of Anping Port,¹⁸⁸ which during the Japanese colonial period, may not have grown 684 times as Kaohsiung's port did, but grew 5.96 times. Yet with one index product, 11 types of paper products¹⁸⁹ Anping Port

¹⁸⁵ Ceng Guo-ming, "Qing ling zhi ri zhi shidai zi guan diqu de nong yu kenzhi," *Journal of Geographic Research*, No. 49 (November 2008): 61-92, DOI: 10.6234/JGR.2008.49.04. p. 71.

¹⁸⁶ Chen Li-xu and Liu Jin-tian, "Ri zhi shiqi taiwan zhe zuo nognchang jishu xiaolu zhi fenxi," *Agriculture and Economics*, No. 55 (December 2015): 1-36, DOI: 10.6181/agec.2015.55.01.

¹⁸⁷ Lee Wen-huan, "Ri zhi shiqi anping gang duiwai maoyi zhi fenxi," *Chen Kung Journal of Historical Studies*, No. 52 (June 2017): 1-45. p. 34.

¹⁸⁸ Anping Port is the main trading port of Tainan. Tainan was developed very early in Taiwan history. The first Confucius Temple in Taiwan is also located here. Whether during the Qing or during the Japanese, the city flourished culturally.

¹⁸⁹ Paper and paper subproducts include paper, account books, collected works, books, magazines, portraits, printed works, and four other paper products. Li Wen-huan, "Ri zhi shiqi anping gang duiwai maoyi zhi fenxi." *Ibid.*

historically surpassed Kaohsiung port. With regards to trade in paper and various printed products, the large amount of imports that Anping Port had reflects how Tainan's printing business was flourishing during the Japanese colonial, comparatively speaking. According to research materials, after 1928, 90% of imports were from Japan, and after 1932, 100% of imports came from Japan. This demonstrates how Taiwanese imports were primarily from Japan, mostly Japanese books and newspapers. An elder describes the print industry and world perspective at the time as follows:

Japanese helped me expand my knowledge and served as a window into the world. Through Japanese, I had a taste of literature and culture...For me, Chinese really is another form of foreign language...At that time, if I left the country, apart from travelling to Japan, there was Manchukuo, that was because they also spoke Japanese...Japanese police were very terrible, but they weren't corrupt.¹⁹⁰

Wang Yu-feng¹⁹¹ analyzes the boat-building industry in Taiwan during the Japanese colonial period, the development of which can be divided into three periods. Although the governor-general of Taiwan hoped for development policies aspiring towards an "agricultural Taiwan" and "industrial Japan", however, due to the needs of industrial and commercial development such as the sugar industry, the steel industry, and ocean-going fisheries, more than 20 shipbuilding factories have been established in coastal cities such as Keelung and Kaohsiung.

To use the example of Kaohsiung, after the industry established the Kaohsiung Shipbuilding Association, workers in the shipbuilding industry organized the Kaohsiung Shipbuilders Association. As described in Wang's research, the economic panic of 1929 led to loss of jobs for 60% of workers and at the meanwhile others suffered from the wage-cut. This led the directors of the Kaohsiung Shipbuilding Association to propose to cut wages and they sent this proposal to the Kaohsiung Shipbuilders Association for discussion, showing how industrialization of Kaohsiung was not wholly in the hands of the government, but people's self-determination of economic needs was also an important force in the industrial development and industrialization of Taiwan. What is further important to note is that at the time industry representatives and workers had already begun to conduct dialogue on their own.¹⁹²

3.3. The aim and characteristics of the education system

Regarding the Taiwanese educational system, Zeng Su-qiu¹⁹³ makes divisions between different periods of the education system during the Japanese colonial period in terms of social changes and legal announcements: 1. the transition

¹⁹⁰ Yan Quan-zhen was born in 1920 and died in 2003.

¹⁹¹ Wang Yu-feng, "Ri zhi shiqi gaoxiong zaochuan gongye fazhan chutan," Kaohsiung Historiography 2, No. 1 (March 2012): 58-75. p. 68.

¹⁹² Later, under the Kuomintang, Kaohsiung became an industrialized city that developed steel, shipbuilding and fisheries.

¹⁹³ Ceng Su-qiu, "Ri zhi shiqi taiwan guojia rentong jiaoyu zhengce zhi fazhan," The Journal of Chaoyang University of Technology, No. 11 (September 2006): 265-92, DOI: 10.30108/JCUT.200609.0010.

period (1895-1898), 2. the foundational period (1898-1918), 3. the “Taiwanese Educational Proclamation” period (1919-1922), 4. the “Revised Taiwanese Educational Proclamation” period (1922-1941), 5. the “National Education Proclamation” period (1941-1945), the last inculcating assimilation to Japanese identity.

During the transitional period, because of the influence of the educational expert, Isawa Shūji, the first governor-general of Taiwan, Kabayama Sukenori, had the belief that the government had the responsibility for providing expenses of schools. As a result, “National Language Schools” and “National Language Learning Institutes” were set up for the purpose of Japanese language training. Students’ ages were between 7 and 29, with language education for the national language,¹⁹⁴ the Chinese written language, Taiwanese local dialect, geography, history, mathematics, bookkeeping, the sciences, singing, gymnastics, and other curricula designed according to scientific planning. Previously, the Qing Dynasty had not designated a comprehensive form or model for education in Taiwan, and learning was according to the traditional Four Books and Five Classics of Confucianism, designed only for the sake of taking imperial examinations.

Japanese implementation of modern education followed a scientific method for the purposes of colonial governance, and for the sake of realizing universal education among residents of Taiwan.¹⁹⁵ With the beginning of Japanese governance of Taiwan, there would necessarily be conflict between the two sides in terms of culture and society, but what is worth noting is that whether with regards to the public or private educational systems, an educational assembly system similar to those which had existed in Japan for years emerged, with local officials and teachers forming educational associations.¹⁹⁶

For Taiwan as a whole, this was the “Taiwanese Educational Assembly”, members of which were mostly Japanese, and in different local areas, there would be “Local Educational Assemblies,” which were mostly Taiwanese. Educational assemblies issued proclamations, and also oversaw the exchanges of Japanese teachers, with absorption of new educational contents, which were fed back into the educational system as a bridge between officials and the people. This even included educational assembly members referred to workplaces and matched up with job postings, as the first teachers’ union and teachers’ guild in Taiwanese history, insofar as attested in historical documents.

The transformation in the second period of colonial education under the Japanese took place because, after the Japanese victory in the Sino-Japanese War, this led to recognition of the worth of Japanese values and culture. Taiwanese people accepted the reality that the Japanese would permanently control Taiwan. This led individuals to enter Japanese-style schools of their own accord. The governor-

¹⁹⁴ The term “national language” as used in this chapter refers to Japanese, not the “Mandarin Chinese” of the modern Republic of China.

¹⁹⁵ Ceng Su-qiu, “Ri zhi shiqi taiwan guojia rentong jiaoyu zhengce zhi fazhan,” p. 270.

¹⁹⁶ Xie Ming-ru, “Ri zhi chuqi taiwan difang jiaoyu hui zhi yanjiu,” *Bulletin of Historical Research*, No. 43 (June 2010): 231-71, DOI: 10.6243/BHR.2010.043.231.

general expanded the scope of education, as well as decreased the proportion of time spent on Chinese written language education and private schools.

Moreover, primary school education, pedagogical teacher education, and industrial education were established. The number of student studying abroad in Japan increased. By the end of 1918, the rate of school attendance had raised up to 15.71%. Industrial and vocational education expanded greatly, something seen as “members of the old society becoming modern, high-efficiency workers”.¹⁹⁷ At the same time, “as a result of the state apparatus’ tremendous power, through the implementation of the educational system, this strengthened the national consciousness of Taiwanese.”¹⁹⁸ Indeed, “Though the aim was to accommodate the education of Taiwanese workers, to reduce the opportunities for upwards mobility for Taiwanese, and assist in stabilizing class divisions between Taiwanese while consolidating the power of the ruling class, this can be said to have the indirect effect of stimulating the formation of national consciousness.”¹⁹⁹

Outside of this, this period also saw promotion of the “Foot Binding Liberation Movement,” through educational decree and female education which requires women to participate in sports classes, the holding of sports and other competitions, the promotion of gymnastics among national citizens, educational trips, etc. This was a means of correcting the Qing dynasty’s policies of “foot binding” and the social view that women should never take a step outside of the home.²⁰⁰ At the time, Taiwan’s female population was more than 800,000 individuals. The “Foot Binding Liberation Movement” changed not only the physiology of women by unbinding the bound feet of Chinese women, but changed further the view of Chinese women that they should be content at home, and the view that women should participate in society as normal “members of society.” This led to the possibility of women becoming a new force on the labor market. Yu Chien-ming makes the following observation:

*Apart from providing opportunities for female students to develop their physical fitness, the physical activity movement allowed them to develop their physical strength. With developed physical ability, this could allow them to have more career choices after graduation, not only having the only option of taking care of the family and no other options. With students having the option of leaving the country to pursue their studies, there were also those that chose to become working women, with their fitness providing the precondition for these opportunities.*²⁰¹

According to the labor force report from the Taiwan governor-general in 1941, there was a manpower shortage of 1,300,000, comparatively speaking, for men. On the contrary, there was excess manpower of 440,000 women in Taiwan.

¹⁹⁷ Ceng Su-qiu, “Ri zhi shiqi taiwan guojia rentong jaoyu zhengce zhi fazhan,” Ibid., p. 273

¹⁹⁸ Ibid., p. 274

¹⁹⁹ Ibid., p. 274

²⁰⁰ “Ri zhi shiqi taiwan xuexiao nuzi tiyu de fazhan,” Bulletin of the Institute of Modern History Academia Sinica, No. 33 (June 2000): 1-75, DOI: 10.6353/BIMHAS.200006.0001.

²⁰¹ Ibid. p. 47

Moreover, because of the movement to promote employment for rural women,²⁰² this led great importance to be placed on women's work during the Japanese colonial period.

In 1919, the Taiwan Educational Proclamation was announced, mandating policy guidelines for Taiwanese education. The education system was almost entirely brought under the control of the nation. Education was institutionalized, leading many schools to obtain financial support from the government, as well as the incorporation of female students, agricultural students, and other groups. Compared to the Qing Dynasty view that "ignorance is a woman's virtue", this changed women's role to a force driving Taiwanese industrialization.²⁰³ Nevertheless, education provided for further social stratification, with a discrepancy in education between Japanese and Taiwanese, and with only a minority able to obtain education in medicine, farming, manufacturing, commerce, and etc. With such restrictive policies, this led to an increase of Taiwanese students going to Japan to pursue further studies, because there were no such restrictions in Japan itself. Taiwanese students are regarded as Japanese nationals rather than Chinese students in Japan, and there are no academic education restrictions. According to statistics, there were 60,000 Taiwanese students at all levels who went to Japan to study in 1939, far exceeding the more than 10,000 trained by Taiwan's local education system²⁰⁴. In terms of disciplines, about 40% of students are studying medicine, about 20% of law, and the rest are science and engineering, politics, law, literature, diplomacy, fine arts, music and other departments. For example: Provincial Assembly Member Guo Guo-ji (Department of Law, Meiji University), Changhua Bank Lin Pan-long (Tokyo Imperial Universities and Oxford University, UK), Changhua Bank Chairman Luo Wan-li (Department of Law, Meiji University and then studying in the United States), Wu San-lian (Department of Economics, Tokyo Business University), Mayor of Taipei You Mi-jian (Department of Politics, Nihon University), President of the Legislative Yuan Huang Guo-shu (Japanese Military Officer School), Minister of Civil Affairs Yang Zhao-jia (Department of Politics, Waseda University), President of the Legislative Yuan Liu Kuo-cai (Department of Law, Kyoto Imperial University), Xie Jie-shi, Minister of Foreign Affairs of the Manchu Empire (Department of Political Science, Meiji University), Dai Yan-hui, President of the Court of Justice (Department of Law, Tokyo Imperial University). In addition to studying in Japan, for example: Lin Mao-sheng, Dean of National Taiwan University College of Letters (Columbia University), Professor Hsu Di-shan (Columbia University, University of Oxford), reporter Li Wan-ju (Department of Sociology, University of Paris), TTV president Lin Bai-shou (Department of Economics, University of London) etc.,

²⁰² Li Li-yung, "Ribei diguo zhimindi de zhan shi liangshi tongzhi tizhi: Taiwan yu chaoxian de bijiao yanjiu (1937-1945), *Taiwan Historical Research* 16, no. 2 (June 2009): 63-104, DOI: 10.6354/THR.200906.0063. p. 83.

²⁰³ Cai Yuan-long, Zhang shu-mei, and Huang Ya-fang, "Ri zhi shiqi beigang nuzi gong xuexiao jaoyu shi zhi yanjiu".

²⁰⁴ Liu Heng-Wen, "Research on legal persons before and after the transition of Japanese rule and state rule-focusing on those who obtained the qualifications of Japanese law before the end of the war," in "Fighter of Legal Person — Professor Lin San-tian's Retirement Congratulations Collection (Jan., 2004)".

many students also went to other countries to study during the Japanese colonial period²⁰⁵.

Within just four years, the double-track education system led to discontents in Taiwanese society. The “Revised Taiwanese Educational Proclamation” of 1922 abolished differences in the educational system, with education corrected to be as much similar to the educational system in Japan as possible. Except the primary school education, secondary education and higher education system were mostly modeled after the education system in Japan, responding to the demands in Taiwan for universal and popular education.

Chinese written language classes were formally abolished in 1937, with complete implementation of national language (Japanese) education. This change would seem to indicate a change from colonial segregation principles to equality under the Japanese system of “universal education,” but instead it increased the uneven distribution of educational resources. Linguistic and cultural differences were reflected in the results of the education system, with the conditions for access to higher education leading to fierce competition in test taking.

Likewise, Taiwan was a newly developing territory, and Taiwan also had Japanese students taking tests for Taiwanese schools, leading to conditions in which Taiwanese higher education lagged behind in terms of competitiveness. After entering school, there was difference between Taiwanese and Japanese students in sense of superiority. Taiwanese who had through education been promoted to teachers would suffer the contempt of Japanese students, the result being that Japanese had more safety and assurance of their positions.²⁰⁶ Fervent competition for testing into schools began during the Japanese colonial period, with severe discipline in schools, an unequal system for promotion, racial discrimination, and etc. This was a lingering influence from schooling to employment, with Taiwanese having to bow their heads and endure this.

In 1937, when the Sino-Japanese War began, the Taiwanese governor-general’s office’s policy guidelines changed from seeing Taiwan as a colonial territory to assimilating as part of Japan proper. In response to educational reform in Japan, the implementation of the “National Education Proclamation” governing the elementary school level and public schools was all changed to simply being “National Education” like that in Japan itself.

“Emperorism” became the sole aim of the education system. In 1943, compulsory education began, cementing that the nation-state completely bore the burden of education, while also designating that the educational system and its substantive contents were the right of the nation-state. In 1944, the rate of employment for all of Taiwan was 71.1%. The only step that is not in sync with the Japanese education

²⁰⁵ Lin Yao-chi, “Taiwanese can only study medicine during the Japanese colonial period?” *Taiwan Journal of Family Medicine*, no. 253 (July 2015); Lin Yaoqi, *Medical History of the Common People—Taiwan Medical History* (Dakang Press, 2012).

²⁰⁶ Wang Yao-de, “Ri zhi shiqi tainan gaodeng gongye xuexiao sheli zhi yanjiu,” *Taiwan Historical Research* 18, no. 2 (June 2011): 53-95, DOI: 10.6354/THR.201106.0053.

reform was with regards to industrial tutoring schools,²⁰⁷ which recruited mostly Taiwanese, because the target social group of industrial tutoring schools were the middle class of the Taiwan society.

In other words, it was not everyone that entered into institutions of higher education and not everyone could meet the requirements at the level of primary education. The industrial tutoring school was actually a level in which Taiwanese had not been fully assimilated into Japanese, with the middle class relying on education to bring about a change in their fortunes. This is to say, the graduates of industrial tutoring schools may have become the newly emergent middle class in various localities. According to statistics, in 1942, there were already 82 industrial tutoring schools, and these mostly changed their names and dismissed their teachers when the Kuomintang government came to Taiwan. But with the emergence of new historical materials, the original appearance of these schools and their gradual change has been newly reevaluated.²⁰⁸

3.4. Institutionalization and social system construction

Taiwan has passed through Spanish and Dutch control (1624-1662), the Ming dynasty (1883-1895), the Qing dynasty (1895-1945), and the Nationalist government (1945 up until the present). Up to now, there have been five political systems which have existed in Taiwan. But only up until Japanese colonization had any political system produced by political relations and bureaucratic relations covered the entire island. Political regimes before the Japanese had their political rule limited to the western plains of Taiwan. Although central mountain areas and the eastern sections of Taiwan were part of what political regimes declared to be their territory, this was not part of actual bureaucratic administration. As a result, the construction of a comprehensive Taiwanese social system and its institutionalization has the Japanese colonial period as an important temporal benchmark.

From the point of view of labor history, considerations of the labor system cannot be separated from the history of political rule and related economic history. Whenever a new political regime attempted to establish labor relations, it had to have some degree of integration with the previous system, in order that after consolidating power, it could undertake reform.

Zheng Shui-ping has researched the history of coolies in Taiwan, pointing out that when Spanish, Portuguese, Dutch, and other European countries colonized Europe and India, they used the "slave system" and "unfree labor" or "partially coerced labor", usually using Indians or ethnic Chinese as unskilled laborers engaged as "porters", and physical laborers.²⁰⁹ Similar to enslavement of black slaves, during

²⁰⁷ Xu Pei-xian, "Ri zhi shiqi taiwan de shiye buxi xuexiao," *Shi da Taiwan shi xuebao*, No. 6 (December 2013): 101-48.

²⁰⁸ For example, National Cheng Kung University originally excluded the teaching of Japanese colonial history, and it was not until 1990 that higher education in Tainan began teaching the history of the Japanese colonial period. Wang Yao-de, "Ri zhi shiqi tainan gaodeng gongye xuexiao sheli zhi yanjiu," p. 25-26.

²⁰⁹ Zheng Shui-ping, "Taiwan kuli yanjiu - hei nu, wu gui, kuli zhi tuibian," *i-Taiwn Study*, No. 5 (July 2011): 21-47, DOI: 10.30122/ITS.201107.0004. p. 26.

the Ming dynasty, in southeast coastal regions, military force was used to coerce prisoners of war as captives to acquire manpower. Later on, this became using deception and coercion to force individual to sign contracts.

Because the Chinese had more experience as servants or slaves, they were considered easier to manage than indigenous residents of Taiwan or Southeast Asians. As a result, with the European Dutch Indies company expanding its influence, the use of ethnic Chinese as coolies also expanded, including the use of local settlements and villages. This led to the formation of “coolie society”, including the coolie recruiters that managed the system of coolie recruiting, and involving the construction of “coolie halls.” The coolie system took care of the economic requirements of European countries, and the coolie system enlivened trade in ports, with local characteristics, contracts, mandates, and rewards, leading to a complex connectivity, and a situation in which the individuals’ social lives were interdependent and associated with each other at all levels.

After Japan came to control Taiwan, with the large need for labor power, there first took place national legal regulation of the coolie system, unlike during the Qing dynasty. During the Qing dynasty, private citizens acted as coolie recruiters, whereas during the Japanese, this was directly managed by the police and military. During this time, the coolie system served as a means for scholars, farmers, artisans and merchants, untouchables, and classless individuals to potentially raise their social status. Contrastingly, during the Japanese colonial period, “coolie” was a registered form of identity, including “coolie identification papers” and “coolie residence permit,” which was registered and managed at local police stations.²¹⁰ Coolie residences were seen as third-class structures (bathroom, tea room, transportation) at the bottom of the society. However, individuals could be promoted in class through education.²¹¹

According to fieldwork by Zheng Shui-ping, in the Penghu Shrine in what is today Kaohsiung,²¹² there were 55 such rooms for coolies. Their nature was completely different from the “State Temple of the Martial God”²¹³ set up by the government or the “village temple”²¹⁴ in the local village. This history is shown in that in the present day, local faction head Zhang Sheng-wu²¹⁵ is called “coole recruiter,” as the person who maintains the Penghu Shrine. With the support of the shrine, he serves as a political candidate and also serves as a Kaohsiung city councillor. It can

²¹⁰ The police station was the smallest unit in the policing system. The Japanese term, “Hashutsujo” is still used by the Taiwanese police system.

²¹¹ Zheng Shui-ping, “Taiwan ri zhi shiqi zhinmindu ‘kuli’ leixing neibu jiegou - yi gaoxiong deng xinxing gang shi wei zhongxin,” *i-Taiwn Study*, No. 6 (October 2012): 28-63, DOI: 10.30122/ITS.201210.0005. p. 32.

²¹² These coolies who came from Penghu to Taiwan established this shrine, offering sacrifices to King Zhu of 10,000 years. King Zhu's vernacular name is Zhu You-de, who practiced medicine and saved innumerable people, leading people to build a monument to him, and praying to him for health.

²¹³ Religious sacrifice is usually to specific gods or heroes, most often with regards to the origin of a people or legend

²¹⁴ Villages sacrifice to specific gods to seek for food and clothing occurs according to the economic characteristics of the village.

²¹⁵ Zhang Shou-wu has a high school education, and is not a member of a political party. He served as a member of the 4th Kaohsiung City Council and two-time chairman of the Kaohsiung Fishermen's Association.

be seen that the “coolie system” has become a social relation through history up to today, particularly in port cities, in which through the course of development the labor demand for coolies has left an influence on social relations that has lasted up to this time²¹⁶, and which still influences Kaohsiung today.

The process of industrialization and the process of electrification in Taiwan, includes the establishment of a telephone system. The establishment of a hardware telecommunications network had a definitive influence on embedded social relations. Xiao Xu-zhi, from the perspective of social integration, explains the communication technology of the telegram as influencing Taiwanese society in contributing to the social ability to compile and analyze data, taking the view that this social integration can be explained on three levels, as follows.

First, the development of newspapers using electric telecommunications increased greatly during the Japanese colonial period, allowing for social integration between Taiwan and Japan. Secondly, political governance went hand-in-hand with the spread of news and allowed for the spread of Japanese governance over Taiwan.

Under this structure, because rice merchants were under the domination of sugar manufacturers, with regards to “rice-sugar mutual restraint²¹⁷”, they could contact rice merchants in the Chamber of Commerce in Japan to form an opposition movement.²¹⁸ Although it appeared as though they were oppressed by the governor-general’s office in Taiwan, in reality, at the same time, such resistance led to the further social integration of Taiwan and China. Third, Taiwanese telecommunications industry workers could, through testing and training, move upwards in terms of social mobility, to display their strength in social integration.²¹⁹

An important characteristic of the Japanese colonial period was that the national workforce was mobilized in the production system, leading to the agricultural industry becoming state-managed. Under this system of state-management, this was not to say that the products produced by the agricultural industry in terms of kind were decided by the administrators, but that goods which did not fit regulations set by the nation-state were not allowed to enter into the market. This included regulations set on different kinds of personnel, economic schools,

²¹⁶ Ports and their markets which have become cities in Taiwan include Keelung, Tainan, and Kaohsiung.

²¹⁷ “Rice-sugar mutual restraint” refers to the phenomenon of rice and sugar cane competing with each other for agricultural land in Taiwan during the Japanese colonial period. In the course of this, sugar manufacturing associations implemented the “Rice Price Standards Act” to try and suppress the cultivation of rice. On the other hand, the governor-general’s office encouraged farmers to grow rice to try and achieve policy goals of feeding the Japanese population.

See Ka Chih-ming, *Mi tang xiangke—riben zhimin zhuyi xia taiwan de fazhan yu congshu*, taiwan shehui xue congshu (Taipei: Cun que chuban she, 2003) and Chen Zhao-yong and Ka Chih-ming, “Mi tang xiangke: Gengdi de zhengduo huo liyi de chontu”, *Taiwanese Journal of Sociology*, No. 35 (December 2005): 23-73, DOI: 10.6786/TJS.200512.0023.

²¹⁸ The rice grain opposition movement took place due to the bumper harvest of Japanese rice in the 1930s. As a result, the price of rice plummeted, and the Japanese government attempted to regulate Taiwanese and Korean rice. A counter-attack campaign was initiated by Lin Xian-tang, Yang Zhaojia, and others.

²¹⁹ Xiao Xu-zhi, “Chayi sudu yu jieli wangluo: Ri zhi shiqi taiwan de dianbao yu shehui,” *Chanbo yanjiu yu shijian* 6, No. 2 (July 2016): 87-116, DOI: 10.6123/JCRP.2016.016.

processing plants, commerce, farming, irrigation association, as ranked according to industrial standards, allowing Taiwanese farmers to move towards a level of “commodification”. This caused Taiwanese farmers not only to grow crops for their own needs, but to become inseparably linked with the market and have a more intimate connection with other social elements.

Ka Chih-ming²²⁰ describes several phenomena as appearing in the process of the commercialization of Taiwanese farming. 1. The farmer’s crop production gradually separated from solely fulfilling needs of self-sufficiency, and turned towards production with the aim of sale on the market. 2. Land transfer changed from being founded on personal ties, such as dividing land between members of a family as inheritance, and became something purely for sale on the market. 3. Other factors of production such as fertilizer or tools changed into something that one depended on the market to provide. 4. The farmer’s model of dividing labor became separated from what was directly related to them, with farmers selling their products through commercial middlemen, and their livelihoods increasingly dependent on the market, with market considerations forming the basis of their decision-making.

But rather than compare the commercialization of the agricultural industry with related products, this did not lead to a situation like in England, where farmers were forced to leave their land, with the majority of residents on farmland moving to the city after industrialization. In other words, the process of the commercialization of Taiwanese agricultural workers did not reach the point at which they became proletarians that could only sell their labor power on the market, i.e. it was without the classic dissolution of social relations and mass proletarianization.²²¹

Ka points out that, first, with the shortage of Japanese capital and the resistance of Taiwanese indigenous people, this led to the use of Taiwanese capital in order to provide for the construction of infrastructure projects, leading the government to be a major force of commercialization in Taiwan. Second, the Taiwanese governor-general preserved household production, leading family-based production models which existed previously to modernize. Third, the socioeconomic relations that existed beforehand resisted outside capital, while leading to the appearance of two types of production models. Fourth, the commercialization of agriculture had an effect on farmers, forming relations of perpendicular integration between Japanese capital and family relations.

We might use land reforms under the Japanese as an example. Then-Taiwan governor-general Gotō Shinpei, recruited Japanese scholar Santarō Okamatsu and others to come to Taiwan, to research the traditional agricultural system that already existed in Taiwan, and to study law and customs in order to decide how to conduct land reform to accommodate the evolutionary trends of the old system and the past system of ownership, as well as how to use law and land surveying to

²²⁰ Ka Chih-ming, "Ri ju taiwan nongcun zhi shangpin hua yu xiaonong jingji zhi xingcheng," *Zhongyang yan jiu yuan minzu xue yanjiu suo jikan*, No. 68 (June 1990): 1-39, DOI: 10.7116/BIEAS.199006.0001.

²²¹ *Ibid.*, p. 4.

measure the private ownership of property, maintaining assurances for land to be bought and sold freely under the law.

This was different from Liu Mingchuan's reforms during the Qing dynasty; his reforms were carried out because the importance of land for the government was in terms of property taxes, that is, of the physical tax or head tax that is traditionally imposed on the output of agricultural products. At the same time, the majority of expenditures were invested into public works, such as water irrigation systems, improvement of crops variety, fertilizer, pest prevention, transportation, agricultural training, raising agricultural productivity, etc. In the long-term, funds for these kind of expenditures were recovered through levying taxes and monopoly rights, the result being that the working population and the government had an interactive relation, different from during the Qing dynasty in which taxation was a unidirectional relation between those being taxed and those doing the taxing. Outside of this, the farming industry thrived day by day, with agricultural products not only being grown to provide food sufficiency for farmers, but as something which could be converted to money to be used in the market.

The other aspect of commercialization was that this allowed for capital accumulation, with farmers having the possibility of accumulating wealth after the commercialization of agriculture. The major industries of the time relied on Japanese capital, the government, and national monopolies as the major sources of investment, with nowhere for the people's capital to go and thus returning to the land as a form of investment. This led land to take on more value than simply as farmland, leading to the increase of land prices. According to investigation, between 1914 and 1937, rice paddies increased in size from production of 150 hectoliters to 290 hectoliters, but the price of each field increased from 823 yuan to 3,385 yuan.²²² This is not unlike the rise in land prices in present Taiwan.

Apart from infrastructure development in the course of a society's economic development, the formation of a society with rule of law is an important index for "socialization." Much research has begun discussion from the starting point of the traditional system of decrees, but there are other indirect facts that one needs to more closely fit into a narrative regarding social development and social relations. When concepts of labor and life become linked for workers, how can one provide assurances for one's ability to live? This becomes an important issue.

Given this line of thinking, for life insurance to appear in such a society is a common phenomenon, expressing the following dimension of social development: With the importance given to contracts in society, to the extent that contracts are to protect the interests of both sides under the law, and under circumstances in which medical statistics have also developed to the point that life insurance can base itself on them such that society understands the ways of life of workers — then life insurance can serve as a way of assurances for one's life and the lives of one's family.

²²² Ibid., p. 19

According to information from Japanese life insurance companies, in 1945, 500,000 life insurance contracts had been signed in Taiwan. Of these, 70% were signed by Taiwanese, this being 350,000 contracts. Japanese people in Taiwan were thirty percent of contracts, this being around 150,000 contracts. Looking at Taiwanese people, for every three families, there was one life insurance contract, a rate of insurance that means 5.69% of persons had taken out life insurance. This rate of insurance would only return in 1979.²²³

In researching this high rate of life insurance in Taiwan during the Japanese colonial period, the majority of researchers agree that, from the onset, the life insurance industry was integrated across all of Taiwan.

The life insurance system originally spread from Japan to Taiwan, in addition to the fact that this was promoted by the governor-general. Although the Japanese regime later became indebted, with a rise in the price index, the rate of people taking out life insurance plans continued to increase. This kind of development has led many researchers to believe that, after the Sino-Japanese War began, the state created ideologies for mobilization such as saving the nation. Consequently, life insurance rode this trend, since there was a need to create a patriotic image of society, and so this led to a rise in life insurance.

However, Zeng Yao-feng believes that appeals to the nation and the policy of the governor-general may have had a complementary relation with the life insurance industry, but this is a post-facto explanation of the relation between policy and industry, lacking analysis of the market mechanisms. Seeing as industry has the aim of seeking profit, policy incentives cannot themselves be the only cause of generating profits, seeing as it is impossible for industrialists to invest only on the basis of policy.

Applying this logic to insurance policy holders, the nation-state enforcing compulsory insurance leads to a certain level of life insurance, without any explanation for the behavior of Taiwanese in having a high number of life insurance policies. As a result, Zeng Yao-feng has conducted a new inquiry starting from the point of view of the life insurance industry, discovering that among the three important sources of profit for the life insurance industry (discrepancies in the mortality rate, profit margin discrepancy, insurance premium discrepancies), the difference in mortality between Taiwanese and Japanese seems to be an important factor in whether Japanese insurers generate a surplus in Taiwan. The insurance documents excavated by Zeng Yao-feng reveal that, compared to Japanese, relatively speaking, comparing Taiwanese insurance policy holders of various ages, their blood pressure was lower than Japanese, perhaps indicating that the rate of cardiovascular disease for Taiwanese was lower than that for Japanese.

Apart from this, in comparing mortality rates with Japanese, outside of for those low in age, most Taiwanese were not concerned with the rate of mortality,

²²³ Ceng Yao-feng, "Ri zhi shiqi taiwan shouxian shi yanjiu de huigu yu zhanwang," *Chung-Hsing Journal of History*, No. 23 (June 2011): 115-30, DOI: 10.29624/CHJH.201106.0005.

whether male or female, and mortality rates for each were lower than in Japan. These statistics gathered by the insurance industry, then, may explain that, apart from encouragement by government policy, there were market mechanisms which led to the flourishing development of the insurance industry in Taiwan.

In discussing policy aimed at providing for the elderly, Liu Jia-yong raises the issue that contemporary Taiwan is highly concerned with care for the elderly, but that this tendency only began late after political democratization. Furthermore, in discussing development during the Japanese period, he believes that there are misinterpretations about the social significance of care of elderly begun in Taiwan during the period.²²⁴ He believes that during the Japanese colonial period in Taiwan, care of the elderly was similar to in the Qing dynasty, without the implementation of specialized care differing between the elderly and other groups, or policy plans specifically directly towards the elderly.

But even if there was not specific policy directed towards the elderly, this does not mean, in actuality, that there was no special care for the elderly. The implementation of social welfare through colonial governance in Taiwan was a means of promoting civilization, as observed in efforts to save the poor and neglected, medical treatment, respect for the elderly, and education for the elderly. In the process of implementing this, this influence extended to medicine, education, culture, law, politics, and other categories, having a certain influence on the development of welfare for the elderly in postwar Taiwan.²²⁵

The Qing dynasty installed elderly care facilities such as “Yangji Halls,” “Yangji Institutes,” orphan care institutions, temporary shelters, and “Return of Spring Institutes,” and other institutions to care for the elderly and handicapped, with funds to run these institutions coming from donations or distributed by local authorities. After Japan took control of Taiwan, this began to change to government officials becoming strongly involved in running a “half-official, half-civic” or “civic self-run” social welfare system. This involved expansion and systematization. As during and after the Japanese colonial period, the strength of government involvement gradually decreased, and this led to civic charitable organizations taking on the significant portion of this work. However, this observation is clearly inconsistent with the planned transition for Taiwan from a colony into part of Japanese territory proper, as part of “assimilation” For example, in 1922, Japan instituted a “Health Insurance Law” and a “Assistance Law” in 1928, which were not implemented in Taiwan.

As a result, the conclusions of Liu Jia-yong’s research are that although this development resulted in Taiwan providing for the elderly without excessively relying on the government system, it also led to delays in development of the elderly care industry in Taiwan, postponing its institutionalization as a social welfare mechanism. This led Taiwan’s elderly care industry to lag behind its

²²⁴ Liu Jia-yong, “Tonghua huo xunhua? Ri zhi shiqi zhimin zhengce yu taiwan de yanglao shiye zhi lishi tantao,” *Thought and Words: Journal of the Humanities and Social Science* 54, No. 4 (December 2016): 291-343.

²²⁵ *Ibid.*, p. 293

former mother country of Japan after World War II, leading to “inhibited” results for the development of Taiwanese social welfare. This inhibiting effect not only led to the lagging development of Taiwanese social welfare, but merged into the original policy principles later taken up by the Kuomintang, reflecting the view that local governments and the strength of the people were responsible for relief for the poor, emergency relief, and not government power establishing the entirety of the social welfare system, and the promotion of “Heavy economy, light social welfare.”

3.5. Background knowledge for subsequent research

During the Japanese colonial period, Taiwan went through a series of policies implemented for “industrialization”, “education” and “institutionalization”. This established a social structure with mixed Japanese and Western elements and social embeddedness. This system subsequently was brought into contact with Han-style ethnic culture from mainland China when the Kuomintang government later came, leading to the particular characteristics of Taiwanese culture in the present.

Taiwan transitioned from the Qing Dynasty to Japan, with those in power confronting the differences of Han ethnic culture, traditional culture. Although the Meiji Restoration later led to Western values and perspectives, new Japanese social values were different. Furthermore, after the Meiji Restoration,²²⁶ Japan’s national power grew, leading Japan to change from a “periphery” in Asia to a “core” in which Western civilization was transmitted outwards. Japan expanded from its home territory at the end of the 19th century, colonizing Korea and Taiwan with an essential difference from the economic plunder of western countries through colonization.

Japan ruled Okinawa, Taiwan, Korea as colonial territories, but in looking at the essential contents of its administrative aims, one will discover that although this involved substantive territorial expansion, at the same time, through colonization and the cultural assimilation of nationality construction, this was implementing a “nationalizing colonialism,” or what may be termed “colonial nation-building.”²²⁷

In analyzing the developmental network of Taiwanese society under Japanese control with this analytic perspective in mind, then, one notes that Taiwan and Japan shared Confucian-philosophical influence, Chinese pictographic characters for writing, and other shared cultural characteristics. However, after the Meiji Restoration, Japan became a rich and powerful country that put its national strength into the lessons of holding office, leading Japan and Taiwan, as ruler and the ruled, to have a complicated collaborative and also conflictive relationship.

²²⁶ In 1868, Emperor Meiji released the “Charter Oath”, which politically replaced the original feudal system with the separation of the emperor system with a threefold division of powers, promoted the country’s modernization and tax reform in the economy, and formed a new bourgeoisie and the working class in society. It replaced the original feudal lords, the gentry and the imperial merchant relations.

²²⁷ Wu Hao-ren, *Zhimindi de fa xuezhe: “Xiandai” leyuan de manyou zhe qunxiang*, (Taipei: National Taiwan University Press, 2017), Guided Reading.

Although up to the present, many generations of researchers have worked hard in digging through Japanese official records, conducting documentation of interviews, fieldwork, and using secondhand materials, this has demonstrated that Taiwan under conditions of Japanese control moved gradually from the feudal politico-economic relations of the period of Qing rule towards an industrial relationship led by the ruling regime. In other words, the embedded social relations of Taiwanese society began to be constructed on several levels, which had the following characteristics:

1. An administrative system was established across all of Taiwan, establishing relations between citizens and the nation. Although the Qing dynasty had declared that all of Taiwan was its territory, it was not until Japanese rule that there was actual political rule by a regime which encompassed all of Taiwan. This rulership at the same time established and also compressed the original social relationship between the "government" and the "people". That is, the ruling regime was no longer just a fuzzy and imaginary impression, but substantively existed, was close enough to everyday life in district offices, and was embodied in a bureaucratic system.
2. Industrialization brought electrification and a communication network to Taiwan, leading to concrete connections developed between the north to south and east to west of Taiwan. Electrification brought about the necessary power source for industrialization, also leading social life towards becoming civilized and open-minded. As described in many works of Taiwanese literature, with electric lights, electric fans, radios, and theaters, and other equipment entering into the lives of everyday people, industrialization broke away from the constraints of nature, and work at night or enjoyment at night became part of everyday life.

Apart from speeding up the reactions of bureaucratic systems, and promoting the strengthening of the social relation between "ruler" and "ruled", on the other hand, industrialization allowed for more control of manufacturing locations and suitable adjustments in response changes in the market. Both of these are important factors for the establishment of a new social model, and of course they expand to form a new social mosaic.

3. The construction of highways and roads, not entirely with the aim of military use, but also for use by commerce and for material transportation. In the process of construction and maintenance of roads, forced labor replaced taxes in initial efforts, but this was followed by the establishment of a modern tax system. The new modern tax system was built then expanded, establishing direct social relations and between the "nation" and "the people." Compared to the Qing dynasty, the greatest difference was that the tax that people paid to the country was paid through the landlord or through ties with merchants. During the Japanese period, scholars, farmers, artisans, and merchants were more strictly regulated as a population and occupation surveys and various tax systems were expanded. This kind of direct social relations led to the consolidation of direct social relationships.

4. Agricultural reform was carried out with the government taking the lead, introducing scientific management methods, placing great importance on field investigations and statistical information, changing the practices of Han culture in which data and scientific research was neglected. Moreover, mobilizing agricultural promotion organizations and agricultural education raised the quality of labor.

Close to ten years of official information in the operations and surveys conducted by the Taiwan governor-general's office demonstrated that Taiwan had advanced to a very meticulous stage, according to the research and oral interviews conducted by many scholars. While Japanese rule was very strict, with regards to science, planning, and keeping to the prescribed order, this method of conducting things was enthusiastically discussed and believed in. In the process of being ruled, to some degree this was a key cultural influence, changing something Han culture lacked in. For ruling regimes were not just being obeyed as a formality, there also came to be identification with Western-style Japanese culture so that this could enter into Taiwanese social traditions.

5. For exported goods, outside of industrial products, cultural and printed imports expressed the desire for knowledge of Taiwan. The military system of the governor-general office, as well as the Japanese-style tradition of "not admitting defeat", along with the bureaucracy, police, and educational system, strengthened the colonial system in Taiwan, and in addition, inculcated "endurance" as the colonial character of ruled society.

In addition to the original Han cultural tradition of education as a means to take up government posts, with Japanese tradition entering the national education system, this led competition and not bloodline to become the standard for advancing in society. All these factors have caused Taiwanese society to be enthusiastic about educational investment in future generations, from the top of society to the bottom.

Past historical research into education in Taiwan during the Japanese colonial period has shown that the governor-general's office was discriminatory in the education system in Taiwan. However, this ignores that limitations were imposed on localities in Taiwan, with quotas for both Taiwanese and Japanese. Likewise, if Taiwanese went to Japan to pursue education, there would be no such restrictions. As a result, as seen in official documentation from Japanese official documents, there was the phenomenon that Taiwanese going to Japan to pursue education increased substantially during colonization, extending to humanities subjects such as law, philosophy, and sociology that were discouraged within Taiwan's education system.

6. In the educational system and the industrial system these appeared unions, guilds and educational associations, with Taiwanese society already beginning to have labor-capital relations. Such associations, in conducting labor-capital consultations, sought to establish dialogue regarding various social issues. This demonstrates that the ruling regime did not solely decide labor relations and

this information expresses that labor, capital, and the government had a triangular relationship during the Japanese colonial period, not so different than current industrial relations in the modern nation.

As a result, an important social factor of this research which must be noted is that, during the Japanese colonial period, workers developed independent perspectives; this is unquestionable. Comparing Japan, the first modern, nationwide union was formed in Japan in 1897,²²⁸ but up to the present, Taiwanese workers' remain separated into the unions of various industries or union federations in terms of organization, without any nationwide union. Apart from individual labor-capital consultations, there is no evidence to prove that there was more active political participation or paths used actively for policy suggestions by such groups.

Nonetheless, in examining the difference in circumstances between Taiwan and Japan, in Taiwan as a colony, there were collective agreements, labor-capital consultations, and the implementation of policy suggestion channels. Outside of forming groups to pursue their interests, the Taiwan governor-general as a colonial governing force was comparatively accepting of the existence and results of labor-capital consultation, as different as sky and earth from the fear of labor and tight restrictions on organized labor by the later Kuomintang government.

7. The "Foot Binding Liberation Movement" released women from the education of traditional Han culture in which women were confined to the house. This allowed women to further become a new force in the workforce. In Han culture, the majority of women stayed in the home, and economically they usually depended on men. The view that "men and women should be separate" and emphasis on keeping to "the female way" was far higher than in Japanese culture.

As a result, through implementing the foot binding release movement and female education, the Japanese colonial government was able to transform the objective conditions facing women in Han culture. This kind of large social value led to changes regarding sexual issues, of course, with the governor-general's office pursuing the aim of raising the productive capacity of Taiwan by incorporating women into the workforce. After the start of the Pacific War, women replaced the men who lacking in the workforce.

Yet what must be stated is that without the aforementioned "Foot Binding Liberation Movement" and female education by the Japanese, after the Kuomintang government came to Taiwan, confronting the gender traditions of Han culture, one suspects that women would have continued to have a more restrictive situation in Taiwan.

8. National education, technical and vocational training, and higher education systems were established, with education no longer being the special privilege

²²⁸ This was founded by Katayama Sho, Takanoya Taro, and others in 1897, and was dissolved in 1902.

of the nobility. The so-called “four classes” of ancient China,²²⁹ scholars, farmers, artisans, and merchants were made equal, with slaves and serfs becoming “free people.” Moreover, through education, individuals had opportunities to rise in society.

But the Han cultural notion of “Only to be a scholar is best of all”, using education to get out of deep-rooted circumstances, led to an increasing number of educated people having increased competition. This kind of excessive competition confirmed the social embeddedness of education, and has led Taiwanese society up to now to have the prejudice that “one test can decide one’s life”, especially since parents at the bottom of society are unwilling for the next generation to have no way to stand out from the crowd, and this emphasis on education becomes all the more important.

9. The rice oppositional movement reflected that Taiwanese farming already separated itself from self-sufficiency and the economic system had entirely industrialized. Various factors in the system, including the governor-general’s office, Japanese local assemblies, Taiwanese farmers, Japanese farmers, Taiwanese social movements, Japanese social movements, Taiwanese grain manufacturers, Japanese grain manufacturers, all in this economic system, looked for closer embeddedness in the social system with their collaborators.
10. The land reform movement made certain the privatization of land, not like how during the feudal times, “All land belonged to the emperor.” That in the feudal time one could not obtain land also represented that land could not be arbitrarily taken by others.

Agricultural workers were of course willing to do their best to increase the productivity of the land during the feudal period. Yet it is also key to note that with the notion in Han culture that, “To have land is to have fortune,” this began the crazed trend towards land ownership in Taiwan. Under this social atmosphere, workers spent much energy on accumulating landed capital, pushing land prices in Taiwan up. The strong desire of the members of the lower classes with low salaries for land continued to grow, because only by depending on the buying and selling of land could they get rich overnight, or experience a reversal of their fortunes.

11. Life insurance —as a form of financial commodity —appeared in Taiwan, and reached a level of people taking out life insurance in which for every three families, there was one life insurance policy. This demonstrates that the contract system in Taiwan had already become a universalized notion in Taiwan, and that there was a certain surplus to the amount of savings a family had apart from what was just needed for survival. There also would have to be the objective condition of that there was some understanding of the life of workers,

²²⁹ The classical “four classes” refers to scholars, farmers, artisans, and merchant classes. The “Equality of the Four Classes” was an important part of social reform during the Meiji Restoration. Since then, legally speaking, there has been no untouchable class, and no slaves.

that this would lead to the commercial activity of life insurance become a means of providing assurances for one's life and the welfare of one's family.

12. The social welfare system was primarily taken care of by the people during the Qing dynasty, not yet becoming a responsibility that the ruling regime would have to take up. After Japan took control of Taiwan, the government initially took control of the social welfare system and its institutionalization in Taiwan, but later on, but did not assert control to the level of laws later passed in Japan to make social welfare the responsibility of the state and to further integrate social welfare, which were not passed in Taiwan.

As a result, social welfare remained stuck with the feudal era's view that social welfare should be conducted using the surplus of society. This allowed for the "inhibition" of values in a way later taken up by the Kuomintang government, leading to policies directed at "heavy economy, light social welfare." This has only changed with the political transition of power in modern Taiwan. But as stated before, with excessive notions regarding competition, for there is still much social contempt for groups that need to apply for social welfare, including the view that these are people without education that simply multiply, with the view that "without money, one should give birth," and looking down on those who "without education, still wanted to give birth."

As such, undertaking an analysis of social elements from the standpoint of SKoG²³⁰ regarding social embeddedness,²³¹ we can come to the following summary. Because of sociocultural factors during the Japanese colonial period, this led Taiwan to quickly transition to the embryonic stage of a modern industrial society after the Qing dynasty. From this emerged the "nation" and "people," the "system of national taxation," "labor-capital relations", the "power of female workers," "private property history," "international movements," and other social factors. Each social element had its individuality but gradually came to have an interactive yet independent existence, as "enterprise owner," "landowner," "bureaucrat," "opinion leader," "worker," "expert," "religious group," and various historical events expressing strongly social embeddedness. Social embeddedness is also shown in the rise of Taiwan identity. The petition movement for the establishment of a Taiwanese parliament (1921-1934),²³² the Taiwanese Cultural Association (1922-1932),²³³ the Taiwanese People's Party (1928-1931),²³⁴ the Taiwan Local Self-Government League (1930-1937),²³⁵ the Taiwan's Farmer's Assembly (1926-1933),²³⁶ the Taiwanese Workers' General Union (1928-1931),²³⁷ the Taiwanese

²³⁰ Preface, "Shehui danyuan jiegou tu," p. 73.

²³¹ Preface, *Laodong guanxi zhong de zhanlue xing qunti tu*, p. 79.

²³² See Zhou Wan-yao, *Ri ju shidai de taiwan yihui shezhi qingyuan yundong* (Independence Evening Post, 1989)

<https://share.readmoo.com/book/533262>.

²³³ See Ye Rongzhong, *Ri ju xia taiwan zhengzhi shehui yundong shi* (Chenxing chuban, 2000)

²³⁴ *Ibid.*

²³⁵ *Ibid.*

²³⁶ *Ibid.*

²³⁷ Yo Hekisen, *Ri ju shidai taiwan ren fankang shi*, (Dao xiang chuban she, 1996)

Labor Interim Council (1928-1928),²³⁸ the Taiwanese Communist Party (1929-1931),²³⁹ and the outbreak of other social movements were important events in political participation during this period.

3.6 The social character of china under republican governance during the same period

Across the Taiwan Straits on the Chinese mainland, sixteen independent provinces announced the formation of the Republic of China on January 1st, 1912. This ended the feudal system which had existed for 268 years under the Qing dynasty. Chinese society changed from a feudal system to a nominally democratic one. During the transition of political power that took place from 1912 to 1949, with the resultant reorganization of social structure, this led to a set of contingent circumstances undetermined by historical or geographical contexts.

The Republic of China was the legal name of the political regime that existed in China, but during this period, the political outlook of the regime was not very stable. From 1915 to 1916, Yuan Shikai changed the name of the country to the “Chinese Empire.” After that, from 1916 to 1928, different warlords ruled different parts of China.

In 1921, the Chinese Communist Party was formed, and in 1927, Chiang Kai-Shek declared Nanking to be the capital of the Republic of China. From 1932 to 1945, the Manchukuo puppet state was propped up by the Japanese in the northeast. In 1937, the Sino-Japanese War began, with the KMT and CCP fighting the Japanese in their respective territories, following which the KMT government moved the capital to Chongqing to escape capture by the Japanese. From 1939 to 1945, Mongolia, Chahar Province, Sui Yuan, and Shanxi —four provinces —were united as the Mongol United Autonomous Government under the Japanese.

From 1940 to 1945, the Wang Ching-wei government constituted the Republic of China provisional government under Japanese auspices, as a self-autonomous government alongside the Mongol United Autonomous Government. Wang acted as the substitute chairman of the Republic of China government in Nanjing.

During the Second World War, Chiang Kai-Shek led the KMT government to participate in an alliance with the CCP to wage war against the Japanese. In this period, although the nation was *de facto* divided between many different political regimes, the majority of the people recognized the KMT government as the Republic of China’s legitimate representative.

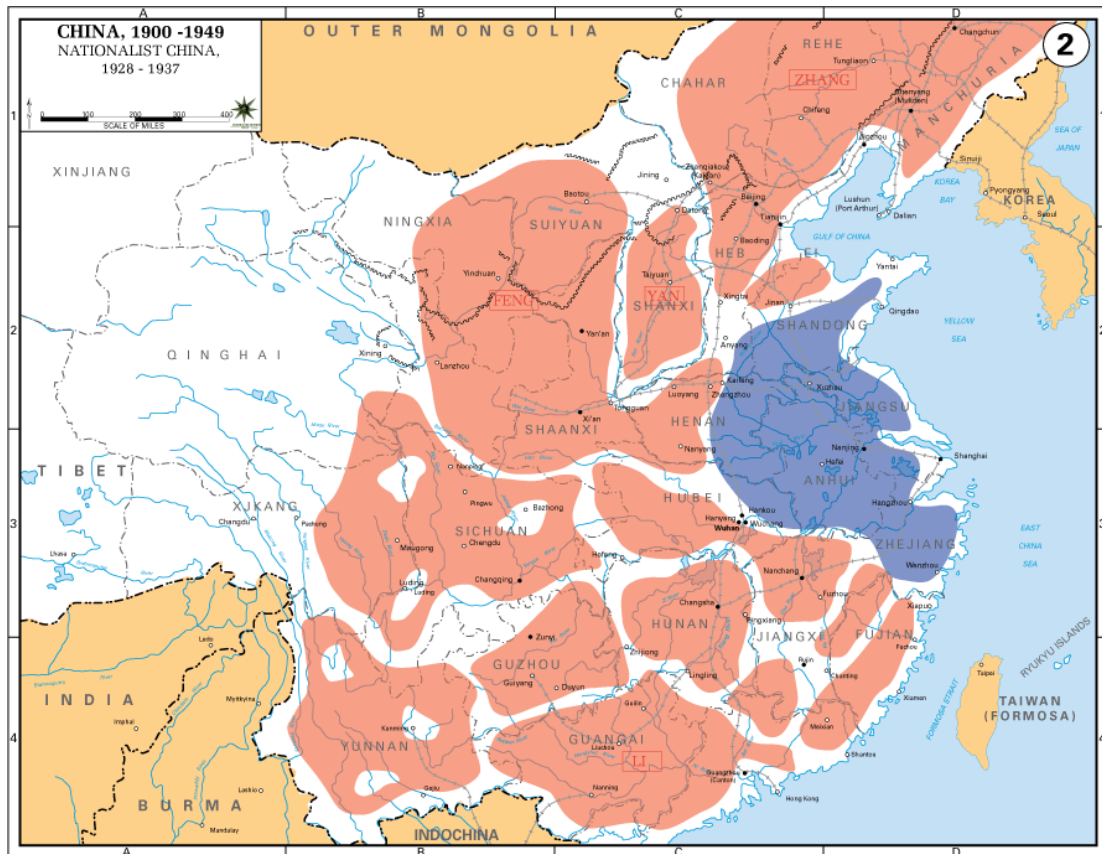
In the maps below, we can see clearly the change in territories under the political control of the KMT government.

From 1928 to 1937, the KMT government controlled territory spanning Shandong to the coastal regions of Zhejiang:

²³⁸ Chen Cheng-zheng and Xu Guo-gan, *Gong yun chunqiu: Gonghui fazhi 80 nian*

²³⁹ See Chen Fang-ming, *Zhimindi Taiwan: Zuoyi zhengzhi yundong shilun*, New Edition, (Maitian Chuban she, 2017); Su Beng, *Taiwan ren sibai nian shi*, Chinese language edition, (Peng dao wenhua gonsi, 1980), Ch. 5.

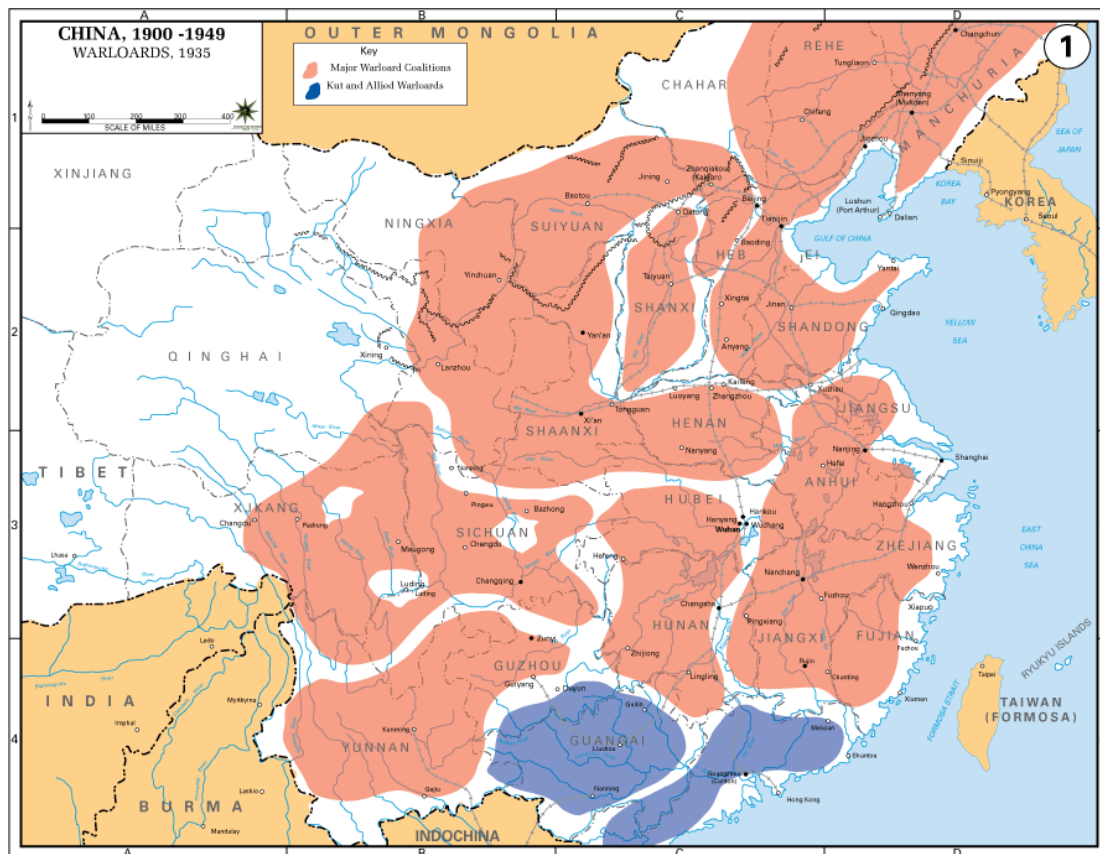
Figure 3.1. : Chinese KMT government controlled territory from 1928 to 1937



Source: Chinese Modern Warfare²⁴⁰

In 1935, China was divided between different regional warlords, and the territory controlled by the Chinese KMT government was confined to the southeast.

Figure 3.2. : Chinese KMT government controlled territory in 1935



Source: Chinese Modern Warfare²⁴¹

From this, we can infer that the role of history with regards to social structure and social embeddedness is as follows: With the controlling political regimes differing in each region of China, the political power of different military cliques was limited by geography with regards to the establishment of law, taxation, and social structures and their implementation.

Compared to the turbulent changes observed in regions controlled by other political forces, the Chinese KMT government constituted China's first democratic experiment. But as its political dominion could not extend to cover all of China, different electoral systems and bureaucratic systems for promotion were not yet regularized, nor were there fair elections.

On the one hand, this came from Han culture's "orthodoxy," that is, the pursuit of legitimacy in government. On the other hand, this may have come from society's expectations and those of the government itself. Namely, the establishment of a system of laws by the KMT government reveals an earnestness in this pursuit.

In 1928, after completing the Northern Expedition, the KMT government had nominally unified China, according to the KMT one-party state structure's "Nation-Building Outline²⁴²", it was announced that the "Governmental Tutelage Period"

²⁴¹ Ibid.

²⁴² Sun Yat-sen's personally written national construction plan in 1924 distinguishes between "the right of the people" and "the power of the government".

had begun, and the KMT government began to implement its government authority as a party-state, dispatching officials to different areas.

Hang Yu-qing takes the view that after completing the Northern Expedition, the KMT government began to implement legal “institutionalization,” describing the characteristics of law during this period (1911-1947):²⁴³

1. The country was not genuinely unified. There was no way to comprehensively implement the Constitution across the nation, and the law had limited local efficacy.
2. Legal mechanisms were not yet established through elections, but through KMT government appointments, with the aim and scope of law exceeding realistic social needs.
3. In terms of the economic structure, there had yet to be large-scale industrialization, leading to a gap between labor law and actual social relations. Some laws were only announced but could not be implemented.
4. After the outbreak of the Sino-Japanese War in 1937, all institutionalization was halted.

Below is the chart of key changes labor law in Taiwan up until the present:²⁴⁴

Chart 3.1. : The legitimation of labor laws in Taiwan

Type ²⁴⁵	Ordinance	Date of Declaration	Changes	Notes
Constitutional	Article 15 of the Constitution	1946.12.25		
Constitutional	Article 152 of the Constitution	1946.12.25		
Constitutional	Article 153 of the Constitution	1946.12.25		
Constitutional	Article 154 of the Constitution	1946.12.25		

²⁴³Huang Yue-qin and Huang Ding-you. *Laodong fa xin lun*, fifth edition, (Han lu, 2015). See chapter one, section 2, “The Changes In and Prospects for the Labor Law in the Country,” p. 44-54.

²⁴⁴ For the sake of clearly illustrating changes in labor laws as well as later research needs, this chart not only lists when laws are promulgated, but also all changes in the law up until today. Subordinate laws not listed here, only parent laws. Furthermore, with central legislation, local law is not listed. For example, the “Labor Standards Act” is a parent law, and the Enforcement Rules of the Labor Standards Act and the Labor Standards Law Reporting and Case Privacy Handling Act and etc. are not listed.

²⁴⁵ In the present, the Ministry of Labor divides labor-related laws into ten sub-categories, “Organization,” “Labor,” “Labor Insurance,” “Labor Welfare and Retirement,” “Labor Conditions and Employment Equality,” “Occupational Safety and Health,” “Labor Inspection,” “Vocational Training,” “Employment Services,” and “Other”

Central Legislation	Article 14 of the National General Mobilization Law	1942.3.29		Repealed on 2004.1.7
Central Legislation	Article 4 of the Outline for the Mobilization of Society, Suppression of Chaos, the Implementation of Constitutional Government	1947.7.19		Repealed on 1991.5.17
Labor	Act for Settlement of Labor-Management Disputes	1928.6.9	1930, 1932, 1943, 1988 (Entire), 2000, 2002, 2009 (Entire), 2015, 2017	
Labor	Labor Union Act	1929.10.21	1931, 1932, 1933, 1943 (Entire) ²⁴⁶ , 1947 (Entire), 1949 (Entire), 1975, 2000, 2010 (Entire), 2015, 2016	
Labor	Collective Agreement Act	1930.10.28	2008 (Entire), 2014, 2015	
Labor	Minimum Wage Act	1936.12.11		Announced but not implemented
Labor	Labor Contract Act	1936.12.25		Announced but not implemented
Labor	Labor Dispute Settlement Act During the Period of Natural Mobilization and Suppression of Chaos	1947.11.1		Repealed on 1988.7.18
Labor	Act for Worker Protection of Mass Redundancy	2003.2.7	2008, 2014, 2015	
Labor Insurance	Labor Insurance Act	1958.7.21	1968 (Entire), 1973, 1979, 1988, 1995, 2000, 2001, 2003, 2003,	

²⁴⁶ "Entire" refers to the repeal of the entire text with a new law promulgated.

			2008, 2008, 2009, 2009, 2009, 2011, 2012, 2012, 2013, 2014, 2014, 2015	
Labor Insurance	Employment Insurance Act	2002.5.15	2007, 2009, 2009, 2011, 2012, 2014, 2015	
Labor Welfare and Retirement	Employee Welfare Fund Act	1943.1.26	1948, 2003, 2015	
Labor Welfare and Retirement	Labor Pension Act	2004.6.30	2007, 2014, 2015, 2016	
Labor Conditions and Employment Equality	Factory Act	1929.12.30	1932 (Entire), 1975	
Labor Conditions and Employment Equality	Labor Standards Act	1984.7.19	1996, 1998, 2000, 2000, 2002, 2002, 2008, 2009, 2011, 2013, 2015, 2015, 2015, 2015, 2016, 2016, 2017, 2018 ²⁴⁷	
Labor Conditions and Employment Equality	Act of Gender Equality in Employment	2002.1.16	2008, 2008, 2011, 2013, 2014, 2014, 2014, 2016	
Occupational Safety and Health	Occupational Safety and Health Act	1974.4.16	1991, 2002, 2002, 2013	
Occupational Safety and Health	Act for Protecting Worker of Occupational Accidents	2001.10.31		
Labor Inspection	Labor Inspection Act Chinese	1931.2.10	1935, 1993 (Entire),	

²⁴⁷ The "Changes" section in this chart will regard the first date listed as the date for publication or revision of a law. Therefore, the occurrence of a year multiple times indicates that the law had been amended several times during that year.

			2000, 2002, 2015	
Vocational Training	Vocational Training Act	1983.12.5	2000, 2002, 2011, 2015	
Employment Services	Employment Service Act	1992.5.8	1997, 2000, 2002, 2003, 2003, 2006, 2007, 2007, 2008, 2009, 2012, 2012, 2013, 2015, 2015, 2016	

Source: Legislative Yuan, as organized by the author

Regarding the process of legal institutionalization visible from the above diagram, we can take note of the following points:

1. Speaking from the point of view of establishing a foundation for political legitimacy, the KMT government did not yet control all of Chinese politically. Whether fair elections, the universality of the bureaucratic system, or the generalization of the legal system, one doubts as to whether these truly existed. But in terms of the KMT government's pursuit of legitimacy, there was a failure to truthfully elect and appoint officials. As such, efforts to establish legitimacy of the representatives of different provinces and cities and the national government were undercut by this.
2. According to the social circumstances described above, in examining the process of legislation, one discovers that the promulgation of laws and their amendment are focused on specific historical periods. Key shifts are visible after the completion of the Northern Expedition in 1928, in 1949, after the KMT moved to Taiwan (the Chinese Civil War leading the KMT to retreat to a new territory and changing in this way), with the imposition of martial law from 1949 to 1987, and the lifting of martial law in 1988, as well as the political changes of power in 2000, 2008, and 2016.
3. Seeing as the KMT government was in reality the party-state of the Republic of China, the majority of government representatives or members of the bureaucracy were appointed at their positions through the Chinese KMT system. As a result, the principle of separating the legislative, executive, and judiciary powers was not implemented. For example, with regards to the Minimum Wage Act, or the Labor Contract Act, these were announced by the KMT government but not implemented.

Legal scholars hoped to have the law advance "ahead" of social reality. At the same time, under the decree of martial law, the "Taiwan provincial government" and the "Taiwan Garrison Command", could cover up where law shrank away from fulfilling what was specified in the Constitution. This kind of wrongful

implementation of the law was not so different from written imperial orders during the feudal period.²⁴⁸ This set of circumstances is deeply related to why the political system was unstable.

4. This led to the fact that even if the KMT government tried to mold industrial relations at will, this could not be accomplished. Labor policy of the period was shaped by the political characteristics of the government that then existed. When the KMT first held a national congress to draw up labor law, in the second national congress in 1926, it passed the Labor Movement's Resolution Law. In 1946, during the sixth national congress, the "Labor Policy Program" was passed.

These large-scale policies had a definite effect on the policy and law, even if it can be said that the national government was only an external mechanism for the KMT government. Under the social circumstances of a party-state, interpersonal relations, as radiating outwards from the Chinese KMT, became a complex network of social relations, and a defining characteristic of this period of Taiwanese governance.

5. After the Sino-Japanese War, the Chinese Civil War between the KMT and CCP came to a culmination. The CCP was gradually able to marginalize the KMT, although it was originally dispersed among different parts of China. From a worker's point of view, the largest difference between the CCP and KMT was that the KMT viewed workers as a *part* of the entire nation, while the CCP, which adopted the ideology of communism, viewed workers as the *main* part of society.

Both sides attempted to mobilize workers. However, "workers as the primary political subject" versus "workers as having the 'possibility' to become part of a national political subject," was radically different. The CCP's view of workers as the primary political subject was undoubtedly more attractive to workers.

As a result, support for the CCP by farmers, peasants, and members of urban proletariat led to the KMT's defeat in the Chinese Civil War. This reflects that the KMT did not adequately understand the facts of social reality or had misunderstood the significant division of power in society. One can also take the view that the formation of powerful political and business alliances is another reason why the Chinese Nationalist Party was not liked by the Chinese people.

Nevertheless, this led the KMT to shift from having an attitude of fostering labor movements while having expectations for them, as a model of sharing common interests with labor, to a model of directly taking control of labor unions.

²⁴⁸ In 2009, national policy advisor Roger Hsieh requested explanation of the process by which the Constitution was ordered to be suspended through the declaration martial law, which was rejected by the Council of Grand Justices. In 2010, Control Yuan member Huang Huang-hsiung proposed an investigation report, believing that then-president Li Zongren had declared martial law, in non-compliance with Article 39 of the Constitution.

4. 1949 - 1987: Workers' political participation during the period of authoritarianism under the ruling Nationalist Party

According to the research methodology described previously, this thesis has two aims: First is to analyze the strategic grouping and conflicts of conglomerates and workers on labor issues, under the social factors of different periods in history. More precisely, this is to observe the emergence and disappearance of these social factors. The second aim of this thesis is, from the standpoint of social embeddedness, to analyze worker's identities, labor issues, and society as a whole, to see as to whether the political participation of workers affects the social system as a whole to influence change and reform. This is to investigate the nature of workers' social embeddedness and their behavior.

From these premises, according to the second chapter, "Strategic and Conflictive Groups in Labor Relations", in analyzing the social system and social relations, we observe that when confronting institutionalization, the active role of workers became gradually limited in political participation through processes of socialization, with the limiting of their roles in the course of systematization. This is what has led to the issues facing Taiwanese labor in the present. As such, the thesis will analyze the process of social embeddedness which took place at set historical stages, with analysis proceeding according to three levels:

1. Social factors constituted from social groups: which is to say, what labor issues give rise to the alliances social groups? What kind of mobilization can be produced from these factors, with regards to the emergence or disappearance of groups? The ebb and flow of such social factors in Taiwanese society is linked to the process of social regulation.
2. The paths for constituting political participation. Which is to say, the routes for political participation in labor-related issues, with regards to the standardization and institutionalization of these within the context of social changes. This is also explaining how channels and models for political participation are regulated, and how institutionalization influences affects how such channels develop.
3. Social resources as they affect political participation. Which is to say those affected by labor issues or concerned groups, with regards to political participation, how is society affected by those concerned with labor issues? What kind of forms of political activity do they take up, and are these forms of political activity able to accomplish their goals?

4.1. The second restructuring of Taiwanese society

The authoritarian period began in 1949, when the KMT came to Taiwan, and ended in 1987 with the lifting of martial law.

What is very clear is that this large changes in Taiwanese society took place during this period of time, particularly with regards to the "waisheng" ethnic that came

with the KMT to Taiwan.²⁴⁹ This changed the fundamental basis of Taiwan's resident population. Apart from ethnic and cultural intermixing, with the entrance of a new political regime, this constituted a new government in Taiwan.

4.1.1. The KMT government's "purification" through the Chinese nationalist party government and the bureaucratic system's structure and integration

Chart of the Bureaucratic System during the Second Turnover and the Population Proportion

Chart 4.1. : The compare of Japan colonial government and Chinese nationalist government

	Japanese colonial government	Chinese Nationalist Government	Notes
Type of government	Military Government	Military Government	
Political structure	Appointed by the Japanese empire, with its core being administrative and executive power, but with a democratically elected legislative system	Party-state with a fivefold division of powers, but with a democratically elected legislative system (partial and formal)	During the Japanese colonial period, in 1935, the system was amended to the Taiwan Self-Autonomous System, with the Taiwanese prefectural assembly, city council, and neighborhood street associations having half their representatives elected by the people. Although there were also provisions for elected legislative representation on the part of the MT government, Taiwanese representation was limited, and elections were frozen in 1949
Immigrant populations	In 1905, 57,335 Japanese were present in Taiwan, representing 1.9% of the population. In 1935, there were 270,000	Between 1945 and 1952, 600,000 soldiers and 600,000 civilians entered Taiwan,	Apart from that the number of new immigrants entering Taiwan far surpassed the Japanese colonial period, immigration also took place in a far shorter period of time. The total time in which immigration

²⁴⁹ "Waisheng" ethnic group refers to a comparative notion regarding local ethnic groups in Taiwan. In common parlance, this is often abbreviated to "mainlander" and "Taiwan native". This is in context of the KMT's move to Taiwan, although there have been other migrations to Taiwan before. This generates a relation of "Other" and exclusion. For more information, one can see Stéphane Corcuff, Feng he ri nuan: Taiwan wai xing ren yu guojia rentong de zhuanbian, Asian Culture Publishing, 2004.

Much research has used "waisheng ethnic group" and "bensheng ethnic group" or "waishengren" and "benshengren" as its descriptive terms. But this can be deceiving, because the view of "Taiwan province" was only promoted after the KMT came to Taiwan. The idea that Taiwan was and always was part of the Republic of China is a historical error, because Taiwan had been ceded to the Japanese before the founding of the Republic of China. Likewise, using "benshengren" to describe Han Taiwanese neglects and excludes the existence of indigenous and non-Han groups, such as the Spanish, Dutch, Portuguese, and Japanese.

	Japanese, representing 5.2% of the population. ²⁵⁰ In 1945, there were 600,000, with 220,000 who were soldiers, ²⁵¹ occupying 9% of the population.	constituting 14.89% of the population ²⁵²	took place was approximately eight years
Immigrant groups	Bureaucrats, technical staff, businessmen, immigrant farmers, soldiers	Soldiers, bureaucrats, representatives and key party-state personnel, intellectuals, students, performing groups, religious representatives, middle-class refugees ²⁵³	Japanese soldiers typically did not stay in Taiwan long-term after entering, and were sent to the Japanese mainland or other locations according to orders. Under the KMT, soldiers became permanent migrants.
Choice of nationality	Left up to individual choice within a two year period. Those who changed were 6,456, representing .23% to .25% of the population	490,000 people returned to Japan, representing 7.4% of the population	Unless they were thought to be necessary, "Japanese" were not allowed to stay, but there was not any set provisions for Taiwanese ²⁵⁴
Administrative Guidelines	Taiwan was used as a testbed for Japanese administration	Taiwan served as where the KMT government and military retreated to	"One year of preparation, a counter-attack in the second year, eliminating the Communists by the third year, victory by the fifth year" was the slogan that the KMT government clung to when they retreated to Taiwan. Like Meiji during the Japanese colonial period, both

²⁵⁰ George Watson Barclay, *Colonial Development and Population in Taiwan* (Princeton University Press, 1954). p. 13.

²⁵¹ Ou Su-ying, "'Zhan hou chuqi zai tai ri ren zhi qianfan yu liuyong: Jian lun taiwan gaodeng jiaoyu de fuyuan,'" *Taiwan Historica* 61, No. 3 (2010): 287-329.

²⁵² Lin Tong-fa, 1949 da chetui (Linking Books, 2009), p. 323.

²⁵³ Lin Tong-fa, Chapter 13.

²⁵⁴ What is meant by this is that there were no specifications regarding whether Taiwanese would or would not choose have to their nationality. This leads one to question how many Taiwanese chose to retain their Japanese citizenship, why they did this, and what the social implications were. There is a lack of primary sources and research regarding this.

			thought of Taiwan as a source of resources to exploit, without long-term planning. However, because of historical reasons, the KMT's policy planning and administration of Taiwan was chaotic, with the belief that after a few years, they would be able to return to China.
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Information: Organized by the author

When the KMT came to Taiwan in 1948, they brought with them the backbone of the KMT government, what we might refer to as the civil government (國民政府) or the Chinese Nationalist government (國民黨政府). This small but obvious ignorance shows deliberate manipulation in historical memory. Here is also another example of this kind of "mistake". KMT means Kuomintang (國民黨) and the official name is actually "Chinese Nationalist Party (中國國民黨)". The shortening name of KMT might not to call it the "Chinese Nationalist Party" but simply the "China Party." "Chinese Nationalist government" should not be simplified to "civil government", otherwise it will not be able to highlight the fundamental difference between the two in the process of moving to Taiwan²⁵⁵. Analyzing this social background, there were differences in these two systems of government, however: In even the Nationalist government in 1923, there were some who were not members of the KMT political party, and there were members of the Chinese Communist Party who participated in the Nationalist government.²⁵⁶ But by the time the KMT retreated to Taiwan, only members of the Chinese Nationalist Party were left. The Chinese Nationalist government should not be reduced to the KMT, otherwise this neglects the fundamental difference between the two.²⁵⁷

For example, among the 759 Legislative Yuan members, only around 380 came to Taiwan with the KMT. One could say that the Nationalist government became the KMT party government, as a form of political purification, because of its conflict with the CCP. In the process of retreating to Taiwan, the KMT only brought party members or individuals with a sufficient amount of social prestige. This led the government to become monopolized by KMT party members. Soldiers were another large group that came to Taiwan. Consequently, when the KMT came to Taiwan, a military government constituted the primary political structure of the

²⁵⁵ In order to strive for the accuracy of the historical facts, the government system that was in power in China before 1949 is called the "Civil Government", the "Chinese Nationalist Government" or "KMT Government" from 1949 to 1987, and the "Republic of China (Taiwan)" Government" or "Taiwan Government" or "Government" after 1987..

²⁵⁶ In 1923, the Chinese Communist Party agreed that members could, as individuals, join the Chinese Nationalist Party to take on party responsibilities and political responsibilities. But both struggled for control over the nationalist government and the KMT continually attempted to purge Chinese Communist Party members

²⁵⁷ This is for the sake of historical accuracy. In this dissertation, the Chinese government will be referred to as the "national government" for periods before 1949. From 1949 to 1987, it will be referred to as the Nationalist government. After 1987, it will be referred to as the Republic of China (Taiwan).

government, and bureaucratic staff administered from the standpoint of military affairs rather than civilian government in planning long-term policies. Clinging to the aim of reclaiming the Chinese mainland, Taiwan was seen merely as a temporary relay point, and so plundering Taiwan of its resources was the basis of policy.

This only led to a halt in the modernization that had begun during the Japanese colonial period, even leading to the 228 Incident in 1947.²⁵⁸ The middle class which had previously constituted the social base for modernization were replaced with ethnic waishengen who had come from China, leading to a new process in which Taiwanese society confronted the social relations of the “ruler” and “ruled.” This led to a qualitative change in the original social embeddedness which had existed previously, with new processes of exclusion and integration. The organizational activity of new strategic groups, and at the same time new social factors and organizational behaviors were embedded in these conflictive groups at their same time.

The formal date on which the KMT government entered Taiwan was on December 29th 1948,²⁵⁹ and from December 28th of the following year, the Chinese Communist Party controlled the whole of China. Within just this short one year, twice the number of people who had moved into Taiwan during the Japanese colonial period moved into Taiwan, and with the new troops that moved in, the difference between short-term garrison and permanent stay were apparent. From this point of view, “colonization” or “immigration” both cannot fully describe this relation of social embeddedness, but the notion of “parasitism” from biology may be more appropriate.

Chart 4.2. : Comparison of colonization, immigration, and parasitism

Mode	Colonization	Immigration	Parasitism
Group characteristics	Existence as a Colonized Nation, Settler Colonialism, Colonial Territory	Existent mother country, migrants, destination country	Loss of an original mother country, leading to flight to a host country as refugees
Sequence of movement	Settlement by an administrative system. After the situation is more stable, average	Migration is primarily for the sake of economic purposes, with migration primarily taking place from regular people. Normally, the	The bureaucratic system, as well as regular people, all move in at once or within a short period of time

²⁵⁸ The 228 Incident began on February 27th 1947 and lasted until May 16th of that year. The event broke out after Tobacco Monopoly Bureau inspectors confiscated cigarettes in an incident which led to the outbreak of conflict, leading to uprisings against the government across Taiwan. Apart from conflict between Taiwanese natives and the waisheng administrative powers, different waisheng political and economic interests also came into conflict. The 228 Incident led to much bloodshed, but opinions differ on how many were killed, with some counts as low as one hundred, and some as much as tens of thousands.

²⁵⁹ On December 29th, 1948, the Executive Yuan during its 32nd government affairs meeting, agreed to name Chen Cheng as governor of Taiwan province. On December 30th, the KMT Central Standing Committee named Chiang Ching-kuo as director of the Taiwan provincial party office

	people begin to move in	administrative system of a mother country will not also be transplanted	
Social structure	Restructure the political and economic system after entering and gradually transform on the basis of colonization	Immigrants focus on their personal economic interests and the pace of society gradually shifts to a more slow-paced one	Total shifts in the political and economic structure, particularly with regards finance, education, and cultural systems
Political integration	If colonization is successful, colonizers integrate with the colonized; if colonization is unsuccessful, the colonized will attempt to drive away the colonizers	After the economy is stabilized, moderate cultural integration takes place, with the second-generation descendants of immigrants and their descendants having the status of citizens and the right to participate in politics	The new migrants obtain long-term social benefits, consolidating power through the political and economic system
Ideological form	The indefinite transfer of a colonial mentality in society	Willing to accept / Not excluding immigrants	Replaces the original ideology of society, both politically and culturally
International relations	The colonizer country and colonizer share foreign relations or share a viewpoint	The mother country and the destination country do not necessarily have shared foreign relations	There is no mother country anymore, leading to independent or special circumstances
International status	On the basis of the colonial mother country during colonization. After the colonizer leaves, the people of the nation may decide on a new nation on the basis of self-determination	N/A	Government-in-exile. According to international law, or within international organizations, it is possible that lacks sovereign political power ²⁶⁰
Economic circulations	Especially important economic resources are plundered. Resources flow out of the colonized country	Immigrants hope to share in the economic interests of the destination country. Immigrants may share	There is no mother country, so money or material resources do not flow outside. Comparatively speaking,

²⁶⁰ Jiang Huang-chi, "Yi taiwan wei benwei de guojifa sikao: Lishi huigu yu weilai zhanwang," National Taiwan University Law Journal 29, no. 3 (April 2000): 43-88; Shigeri Oda, "Zhuquan duli guojia de 'taiwan' - 'taiwan' zai guojifa shang di diwei," Taiwan International Law Quarterly 4, no. 2 (June 2007): 293-322; Lee Ming-jun, "Yi taiwan mingyi shengqing ru lian de guojifa wenti," Taiwan International Law Quarterly 4, no. 3 (September 2007): 135-66; Yu Xian-deng, "taiwan wenti jie jue de guojifa sikao—jian lun 'fan fenlie guojia fa' de guojifa yiju," Journal of Shantou University, Humanity and Social Sciences Edition 23, no. 5 (October 2007): 58-63.

	to the mother country, not only including in terms of financial resources, but also material resources	resources with their mother country, based on personal discretion, though likely primarily in the form of money	money and resources are plundered from the original residents and concentrated in the hands of those who hold power
Characteristics of embeddedness	The political power and economic advantages held by colonizers leads to ethnic conflict	Even after securing a stable economic position, oftentimes culture embeddedness leads to racial enclaves, such as Chinatowns	Because the mother country no longer exists, those who have entered the country have nowhere to go to. As a result, they spend their lives and die in the parasite country, leading to a strange shared history

Information: Organized by the author

Historically speaking, if colonization is primarily for the sake of economic reasons, and this leads the government to violent measures, most results are not successful. After defeat, the colonizer usually returns to their mother country. Yet with the entrance of a new population into Taiwan in the 1940s, these were people who did not have anywhere to return to, leading to mutually interactive relations between those who entered Taiwan and those who were displaced. Those who entered had to be more careful, for fear of provoking an immune system response, and so they had to tread a delicate path.

Consequently, with regards to a parasitic form of migration, for those who enter, this has to occur with large numbers of people moving in at a quick pace and requiring settlement. Likewise, they seize the resources of those who are displaced, pushing society to a limit. The largest limitations are with regards to whether they control society, whether they can maximize social production, or whether they can achieve equality with those displaced. Another way of putting it is that with the maximization of productive capacities of those displaced, this will not lead to protest, or settlers falling into ruin.

But for those who newly entered into a society, why would their movement into society led to opposition to new immigrants in the form of protest actions? In examining, the Taiwanese example, the KMT government as well as the waisheng ethnic group that came with them, on the one hand, used the historical opportunity of the military defeat of the Japanese government, which at the level of administration left a political vacuum.

In this way, Taiwanese natives did not have the time to expand their political participation. The upper stratum of society once inhabited by the Japanese was rapidly taken over by KMT government, preserving the hierarchy present in the political system. However, the largest difference in terms of this colonial movement is that, even if the ruling stratum of society were the large numbers of waisheng ethnic group members who had immigrated to Taiwan, society also had

to accommodate the newcomers as “part of the same culture and race” while also accommodating the superior social position allotted to this group. Which is to say, for the whole, structurally, with regards to politics, economics, culture, and other aspects, a process of internalized mutual recognition had to take place in a short period of time, but this response was too slow and this resulted in a system of control.

As such, in order to describe this process, we might say it is much like the life process of a *viscum album*: it is first born in another organism, begins to hang on the outside of the host, and begins to grow and expand in a perpendicular fashion, penetrating into the host to extract resources and stabilize its parasitic system. The host may resist, such as stiffening its outer surface.²⁶¹ But if the amount of parasitic organism present is enough for control, the mistletoe can reside a long period of time in the host organism, and even comes to become permanently bound to the host organism. In this parasitic process, mistletoe links with its host, with the two absorbing moisture together, leading to symbiosis.

But to achieve this process of shared existence, the migrant (or the parasite), must have strategic aims including expanding of area of the host occupied, and breaking off any means of survival for the host not directly bound to the parasite. Consequently, the parasite needs to urgently expand its control of the host. The host and parasite have different strategic considerations, but if the parasitic process is successful, this establishes a long-term shared existence.

4.1.2. Economics as a demonstrator of the outlook of social embeddedness

In examining the shifts in the economy during the period, the most drastic shift one immediately sees in Taiwan was the defeat of Japan in 1945, with exports as a percentage of GDP dropping to zero. It was not until 1972 that Taiwan reached the levels of economic productivity which existed during the Japanese colonial period.

Figure 4.1. : Exports as a percentage of GDP

²⁶¹ Corkification involves the hardening of a plant’s cell walls, in order to prevent exchange of oxygen and water, to isolate the surroundings of a cell to starve and kill them. This a reactive measure by a plant for self-protection. Corkification is common when plants are used as hosts or sprayed with a high concentration of chemicals.

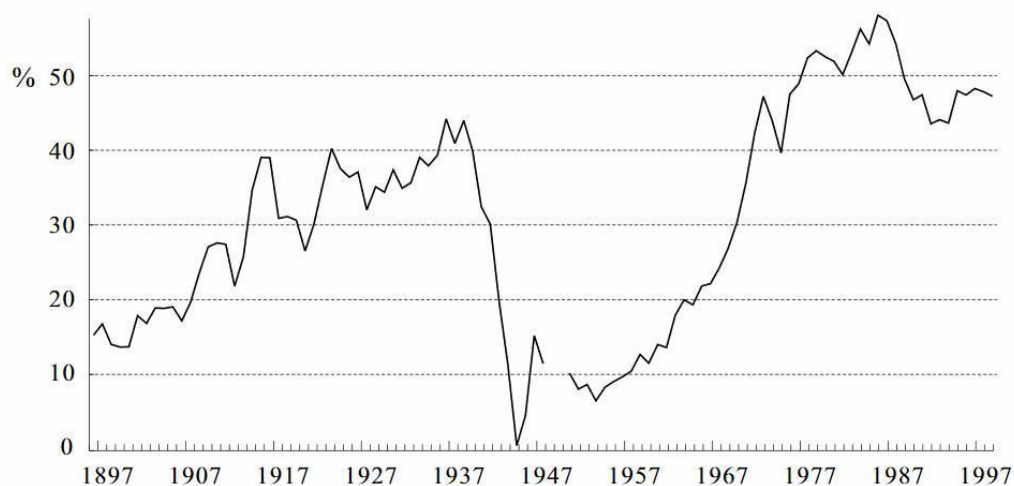


圖 1: 商品出口占 GDP 比率

Source: Wu Cong-min, 2003.²⁶²

The accepted view is that as a colony of Japan, Taiwan's main products under the Japanese were a source of industrial raw materials and foodstuffs, and that exports were primarily to Japan. Japan was the destination for 55.10% of exports from 1897 to 1913, which grew to 91.38% by 1930 to 1942.²⁶³ After the defeat of Japan in World War II, it was hard to preserve trade routes between Taiwan and Japan, and it also proved hard for Japan to maintain commercial production, leading there to be no place for Taiwanese products to go.

Secondly, after the KMT government came to Taiwan, it faced bankruptcy. According to recently declassified documents in Academia Historica, 244 million gold and foreign currencies were sent from China to Taiwan in 1949²⁶⁴, but within only 370,000 of that gold was left.²⁶⁵ The largest expenditures which led to these funds being used up were military expenditures, constituting 73% of spending.²⁶⁶ Apart from that, from December 1949 to June 1951, according to the Business Expenses Report of the Central Bank of the Republic of China, the KMT Central Office paid out the remaining 8,800,000, constituting more than half of the 17 million the Central Bank paid out.²⁶⁷ The reason for these enormous troop and party expenditures was because the economic and financial system had no way to produce capital, and because waisheng capitalists and bensheng Taiwanese petit bourgeoisie did not see the military and KMT political leaders born in China as

²⁶² Wu Congmin, "Taiwan jingji fazhan shi" (October 5, 2001).

²⁶³ Chen Tsu-yu, "Ri ju shiqi chukou pin de liutong jizhi", *Xin ya xue bao* 31, (December 2013): 395+397-444

²⁶⁴ Liu Kung-yung, "Cheng jiang zhongzheng hecha jiaohuan zhongyang yinhang kucun jinyin yin wai waibi mingxi biao ji jinyin waihui waibi zhehe meijin deng biaodan", (*Academia Historica*, July 8, 1949) · P. 10.

²⁶⁵ Yu Hungchun, "Cheng jiang zhongzheng shi yuefen zhongyang yinhang kucun huangjin ji jingli waihui shou zhi qingxing ji taiwan yinhang fa hang zhunbei ji huangjin chuxu ge qingxing", (*Academia Historica*, November 11, 1950), p. 1.

²⁶⁶ Yen Chia-kan, "Cheng jiang zhongzheng sanshijiu nian yizhi shi yuefen guoku shou zhi zongshu ji ge bi lei ge kenmu shou zhi xiang shu qingxing", (*Academia Historica*, November 13), p. 4.

²⁶⁷ *Ibid.*, p. 33

having the ability to resolve Taiwan's economic problems. Instead, they took advantage of the differences in exchange rates as a product of economic crisis, with a large amount of property converted and remitted to other countries in the face of the Central Bank's large-scale need for gold.

Consequently, the Minister of Finance at the time and the Central Bank chairman, Yu Hung-jun, recommended several economic reforms for both the economic and financial sectors. First, he recommended the reform of financial measures, and second, boosting economic production, as a means of resolving the financial affairs crisis faced by the KMT, according to recently declassified government reports.

In addition to his financial reports on the Central Bank and the government treasury, in his private actuarial report to Chiang Kai-shek, he emphasized in the report and in letters the importance of economic productivity; otherwise this would lead to overreliance on the Central Bank and Ministry of Finance and it would not be possible to resolve the fundamental economic issues facing the nation. However, this was actually the responsibility of the Ministry of Economic Affairs and not the Ministry of Finance. For example: In "Understanding the cause of financial gold outflows, facilitating smooth import-export exchange, abolish the draft foreign exchange visa system for imported goods, supplementary principle of the financial foreign exchange policy", outside of explaining the causes for financial issues, and coming up with guidelines to address them, one sentence in particular about Taiwan's economic productivity is significant.

"The public sector of Taiwan province's economic system is of great importance. Besides what is publicly run, though providing for the people, the majority of profit-seeking enterprises are not sufficient to supply the national treasury. A good foundation was built when Taiwan province was administered by the Japanese. Apart from the railroads, there is no way to achieve this goal. This is a large gap in financial affairs and the provincial government and the economic department should be instructed to complete the rectification within a time limit."²⁶⁸

Among declassified documents, this is the earliest record of public enterprises in official documents. This paragraph succinctly describes Taiwan's economic circumstances up to the present, and also points to the greatest split in Taiwan's labor force. The subsequent points are of great importance

1. During the Japanese colonial period, the public sector was planned and was diversified with regards to different sectors. It already held a central role in Taiwan's economy. But under the KMT, apart from running the railroads, it did not operate at its former economic productiveness.
2. The entrance of Chinese refugees into Taiwan also was a burden and was not able to stimulate the economy.

²⁶⁸ Yu Hungchun, "Caizheng jinrong huangjin wailiu yuanyin yu bujiu zhi dao yu changtong jin chukou maoyi feizhi jinkou huowu zi bei waihui qianzheng zhidu ji jinrong waihui fangzhen buchong yuanze caoan", (Academia Historica, May 25, 1950), p. 8.

3. If publicly run industries were not directly related to the lives of the people, they were run for the sake of profit, and could be used to bolster the government treasury.

With regards to these three points, up until now, Taiwan continues to have a great deal of state-owned, public sector enterprises, which were originally run by the KMT after they were taken over from the Japanese colonial government. With the public sector deeply bound up with the party, to some extent this helped alleviate the financial crisis facing the KMT government. But from the standpoint of social development, public sector enterprises and party-run enterprises occupied the Taiwanese market in an oligopolistic fashion, this did not refer to an oligopoly of manufactured products. At the same time, the waisheng ethnic group's presence was oligopolistic, with only members of the waisheng ethnic group allowed to take up jobs in the public sector or party-run enterprises, at the beginning. To this end, national examinations provided a means for absorbing talent with preference given to waishenren, however, through quotas.

In evaluating these public enterprises, many of these operated without competition in their respective industries, such as salt (Taiwan Salt Company), steel (the China Steel Corporation), alcohol (the Taiwan Tobacco and Wine Monopoly Bureau, later renamed the Taiwan Tobacco and Liquor Corporation), petroleum (the Chinese Petroleum Corporation), electricity (the Taipower Company), hydraulic power (the Taiwan Hydraulic Corporation), telecommunications (Chunghwa Telecommunications), aviation (China Airline), long-distance buses (the Taiwan Motor Transport Company), railroads (the Taiwan Railways Administration), etc. Although these companies are now privatized or partly privatized and there is a not insignificant number of people in these companies, outside manufacturers do not have any will or ability to run these enterprises, leading to the characteristic of enclosedness for Taiwanese industries.

Under these conditions, industries in the Taiwanese economy had to reorganize, particularly after the end of the Second World War, during which Taiwanese exported goods and their destinations began to change because of American influence. An example would be because of U.S. AID after the Korean War.

During World War II, the Chinese KMT was able to obtain weapons through the land-lease act, as well as medicine and other commodities, because the U.S. supporting the war against Japan. During conflict with the CCP, the KMT partnered with America, using U.S. AID and assistance in conducting political planning and military actions. After the KMT came to Taiwan, U.S. AID subsequently stopped. After the outbreak of the Korean War, with America deciding to halt the spread of communist countries through policies of encirclement, aid began to be provided to the KMT government again in 1951, up until 1965. U.S. AID was on average 100 million USD per year (exceeding Taiwan's GDP at the time), supposedly repayable on the 11th year after the loan, but the final payment occurring in as relaxed a fashion as to only take place in January 2004.

With regards to the contents of U.S. AID, apart from military equipment and financial loans, this included supplies for the people's welfare such as flour, soy beans, milk powder, and basic infrastructure. The educational system, and plans for the exchange of technical assistance were also developed. Due to its confidentiality and limited business scope, military equipment projects have little direct benefit to private enterprises. With regards to financial loans, it is apparent that the main aim of this was to stabilize the Chinese KMT's finances, in order to maintain the continued KMT governance over Taiwan. Of course, what also must be mentioned is that financial resources; in implementing financing and remittance, also facilitated the development and growth of enterprises. Supplies for the people's welfare was to stabilize the rising commodity prices at the time, to stabilize instabilities caused by Taiwan's handover in government.

Basic infrastructure has been the long-term way to provide a fundamental basis to prop up society, such as production of electricity, transportation, fertilizer, cement, sugar, paper, etc. But in terms of short-term considerations these items internalized much of Taiwan's labor force, leading the interaction of elements of Taiwanese society to have a definitive embeddedness. Many workers in the public sector and party-run enterprises obtained their jobs because they were of the waisheng ethnic group. At the same time, government-run and party run enterprises outsourced much of their engineering and products to private small and medium-sized enterprises, and the majority of workers in these industries were of the bensheng ethnic group. This led to a pyramid structure in terms of publicly run industries which continues up until today.

With regards to the educational system and exchange of talent, on the one hand, this preserved American influence in Taiwan. This is not only with regards to the levels of economics or politics, but that this led to a pro-US slant in Taiwanese society, which also affected the education system. Pro-American forces constituted an important political grouping of leaders, and whether in politics or the academy, this positive slant towards America affected social and political discourse in Taiwan. Particularly for research into labor, this had the effect that Communism, Marxism, or social democracy remained far from workers, as something one might have to pay for with their life if they advocated or even studied such ideologies.

From the standpoint of the social embeddedness of Taiwanese society, U.S. AID consolidated the oligarchy of the Chinese KMT for close to fifty years. This allowed for the second-longest martial law period in history, lasting for forty-three years.²⁶⁹ At the same time, this created the visible stratification of Taiwanese society, leading the waisheng ethnic group to enjoy economic and political advantages surpassing those formerly enjoyed by Japanese colonizers. Although members of the bensheng ethnic group outnumbered members of the waisheng ethnic group by over four times, they were unable to conduct exchanges with the

²⁶⁹ Taiwan's martial law period lasted from May 20th, 1949 until July 15, 1987, a total of 38 years and 56 days. Martial law was only lifted on Kinmen and Mazu on November 7, 1992, a total of 43 years and 171 days. Actually martial law was replaced with national security law that continued till 1991.

outside world, did not know to exercise their rights, were afraid to protest, and quietly accepted their circumstances.

With regards to the closed characteristics of Taiwan, with Taiwan remaining isolated from the international world, America was the primary source of what Taiwanese encountered from the outside world. America was seen as a power even higher than of the Chinese KMT. From the standpoint of external influence, flour printed with "US-China Cooperation", powdered milk and food oil, were unloaded off the docks. Through military dependents' villages and American churches, more of these supplies passed into the hands of the waisheng ethnic group with a segment of such goods passing into the hands of the bensheng ethnic group through the black market.

On the surface, not only did this ensure that they were adequately clothed, but this led to a linked system "Americans to waishengren to Taiwanese benshengren", as a systemic supply chain. This changed the Constitution of Taiwanese society. Indeed, despite America having broken diplomatic relations with Taiwan for close to forty years to the present, the elevated status with which America is seen continues to be deeply rooted, with steak restaurants continuing to lure customers with slogans like "American club."²⁷⁰

On the other hand, the closed off nature of the island reflects how Taiwan's orientation towards America was due to conflict between strategic groups and conflictive groups. At the time, because of the military defeat of the KMT by the CCP, strategic groups decided that two enemies could not exist under the same sky, and so decided to make opposing the CCP their primary aim. With American support under the Cold War, this maintained the existence of the Republic of China internationally, but this cannot have been the only option which was possible at that time.

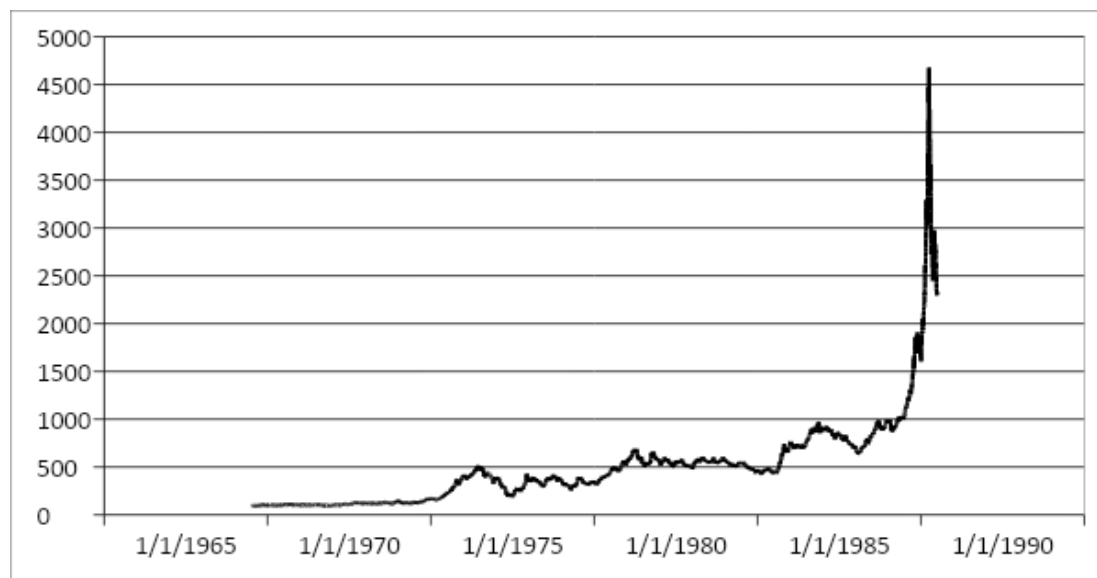
Particularly in 1979, after the American establishment of official relations with China, the KMT was disappointed in America's actions, but it proposed to America that it hoped to maintain at least unofficial relations. In terms of the domestic economy, obtaining U.S. AID was a way to obtain substantive advantages in terms of material advantages and resource distribution, and this was a precondition for strategic groups to favor America. And for conflictive groups, because the American government was a two-party political system, this became the ideal of a government to be strived towards, seen as an effective means for the American political system to consider pros and cons of political decisions. This led conflictive groups confronting domestic political pressures to choose to work with American conflictive groups, creating an opportunity for conflictive groups on both sides to work together.

²⁷⁰ Among reasonably priced stores in the Wenshan area of Taipei, in which there are many students and regular citizens nearby, Alley 112 Steak introduces itself as having a chef who used to work in an American military club kitchen. American military clubs used to be mostly on Yangming Mountain and, even now, there are many American restaurants there, emphasizing their historic links to America.

Through plans for exchange of talent and through channels to go to America for study, some intellectuals came in contact with new social values in America, leading to a dualistic conflict. After returning to Taiwan, they came to constitute the most significant conflictive group of this time. What is interesting to note is that if one divides the personnel between whether one became a member of a strategic group or conflictive group of this generation, those who stayed in America to continue working were mostly members of strategic groups. Those who were willing to return to Taiwan were members of conflictive groups.

The chart below illustrates that during this period of time, the one-party dictatorship of the KMT was reflected in development of Taiwanese society and in the social embeddedness of the period—even if politics may have otherwise seemed peaceful and tranquil. The economic data illustrates that Taiwanese society during this period skewed toward development, with symbiosis forced by the parasitic colonialism of the KMT.

Chart 4.3. : Weighted stocks in Taiwan from 1967 to 1987²⁷¹



Source: Drawn by the author using data from Taiwan's Stock Exchange

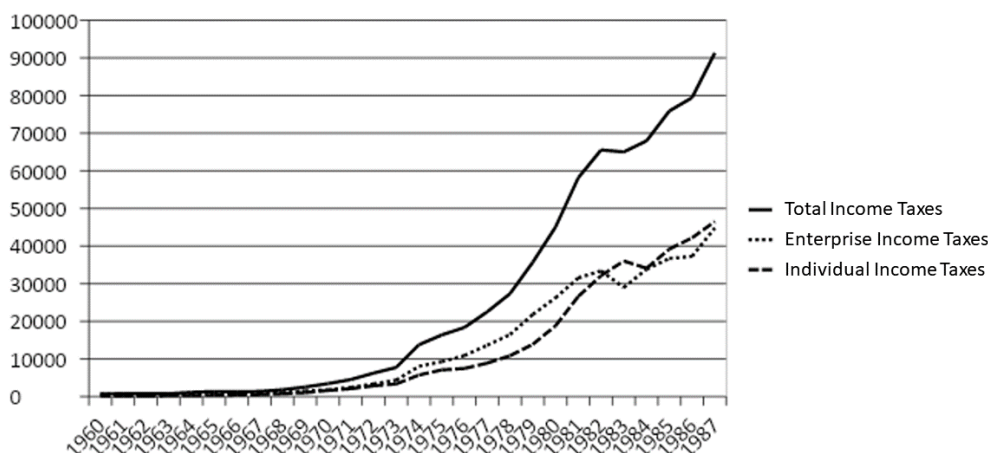
As visible in terms of social structure, during the KMT's authoritarian rule, the Taiwanese economic outlook evidenced low growth. The Taiwanese stock market was established on October 23rd, 1961 and began formal operations February 9th, 1962. Stocks in Taiwan reached 1,000 points by 1987, reflecting that the economic activity of the people during this time was not high. This points to floating capital among the populace, with stocks serving as a connection to the international world, as well as indicating financial liberalization. Stock investment stayed at the level of simply saving money during this time.

Chart 4.4. : Taxation statistics from 1960 to 1987²⁷²

²⁷¹ The Taiwan Stock Exchange began operations in 1962, but the source data starts from January 5th, 1967.

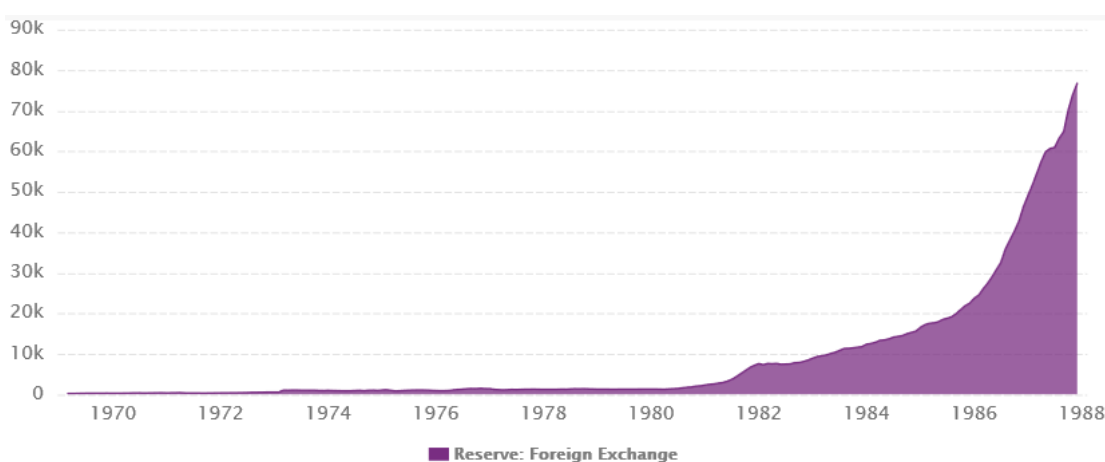
²⁷² Due to the limits of the original source of the information, this chart starts from 1960.

Taxation Statistics from 1960 to 1987



Source: Drawn by the author using data originally from the ROC Executive Yuan Comptroller

But if we move our point of focus to government taxes, we find that taxes from profit-seeking enterprises and from individuals both begin to rise. This illustrates that although the government was authoritarian during this period of time, wealth accumulation had already begun. The amount of floating capital began to rise.

Chart 4.5. : Taiwan's foreign exchange reserves from 1969 to 1987²⁷³

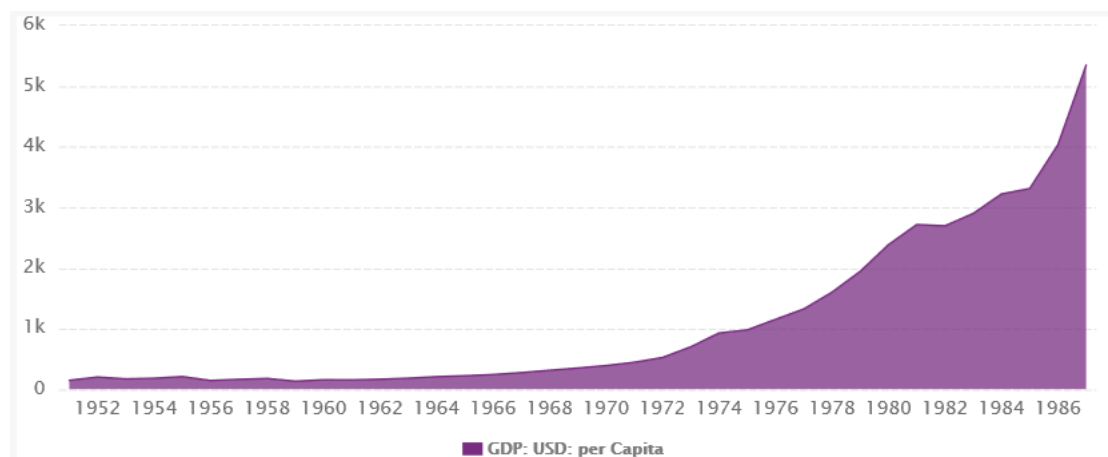
Source: Drawn by the author from CEIC Data from the Central Bank of the Republic of China

The rising tendency in government foreign exchange reserves points to the rising pressure on society from economic growth. In 1981, the government's foreign exchanges were 7.235 billion USD, which by 1988 was 73.892 billion USD. In a short seven years, this had increased by over ten times. Whether in terms of floating capital or government reserves, the economy was strong, and surplus

²⁷³ Due to the limits of the original source of the information, this chart starts from 1969.

capital existed.

Chart 4.6. : Gross national product per capita, 1951-1987²⁷⁴

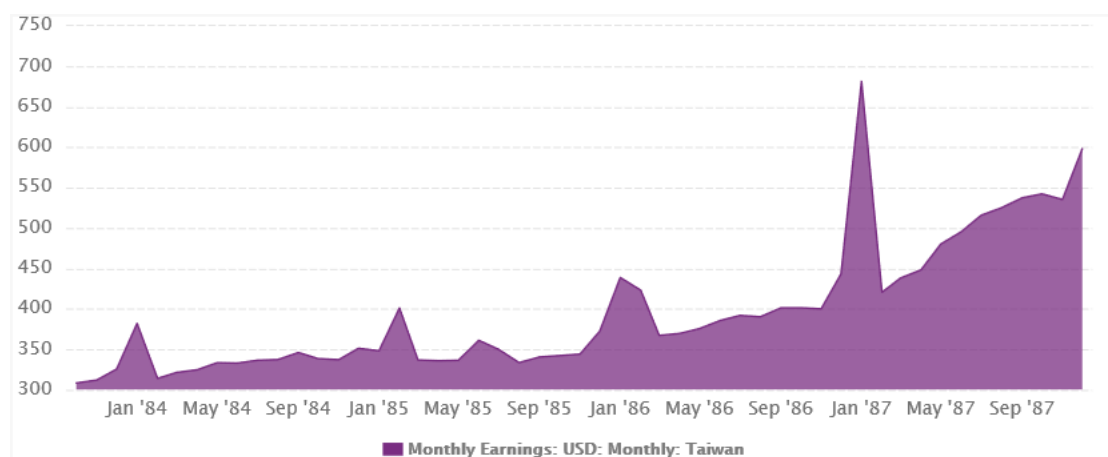


Source: Original data from the ROC Executive Yuan's Comptroller, CEIC Data

Both public and private enterprises showed that despite martial law, the political system actually could not impede economic growth. At least in the case of Taiwan, the development of the political and the economic system proceeded in parallel. It was not that the government had the ability to control economic growth.

We might continue by next examining gross national product per capita in order to find the sources of the expansion of popular capital. In Chart 4.7, we see that from 1968 onward, gross national product per capita began to increase, breaking 1,000 USD, up to 5,350 USD in 1987.

Chart 4.7. : Average monthly salary, 1983 to 1987²⁷⁵



Source: Original data from the ROC Executive Yuan's Comptroller, CEIC Data

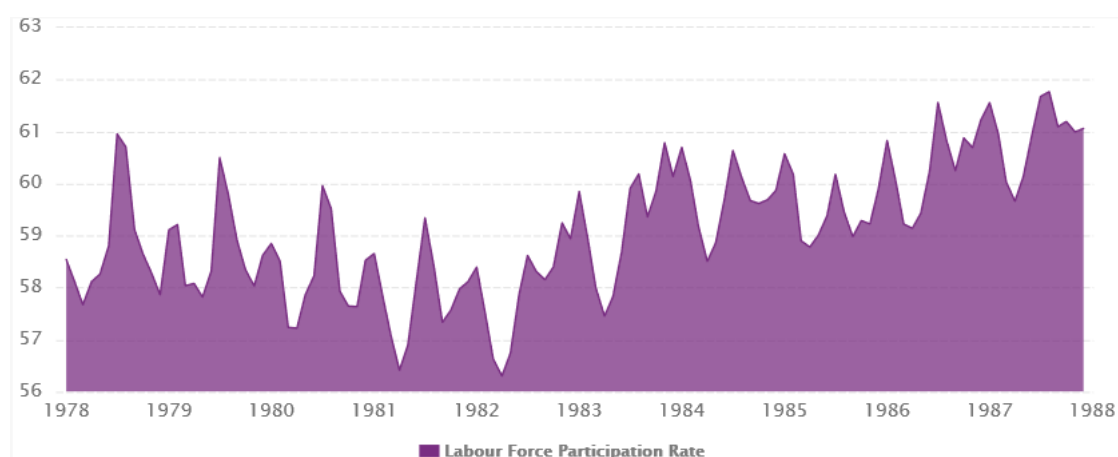
The tendency of gross national product per capita to rise is linked to the average

²⁷⁴ Due to the limits of the original source of the information, this chart starts from 1951.

²⁷⁵ Due to the limits of the original source of the information, this chart starts from 1983.

salary on the labor market.²⁷⁶ Only large government-run industries or specific industries had average growth rates. In terms of average monthly salary, from 1983, this increased from 312 USD to 598 USD by 1987. This was growth of close to 92% in four years. Although this rate of growth is not as fast as other previously described statistics, considering the universality of the survey data at the time, we can ascertain that Taiwan's economic development was the product of society as a whole, otherwise there would not be continuous growth in salary as reflected in non-compulsory surveys.

Chart 4.8. : Labor participation rates, 1987-1987²⁷⁷



Source: Original data from the ROC Executive Yuan's Comptroller, CEIC Data

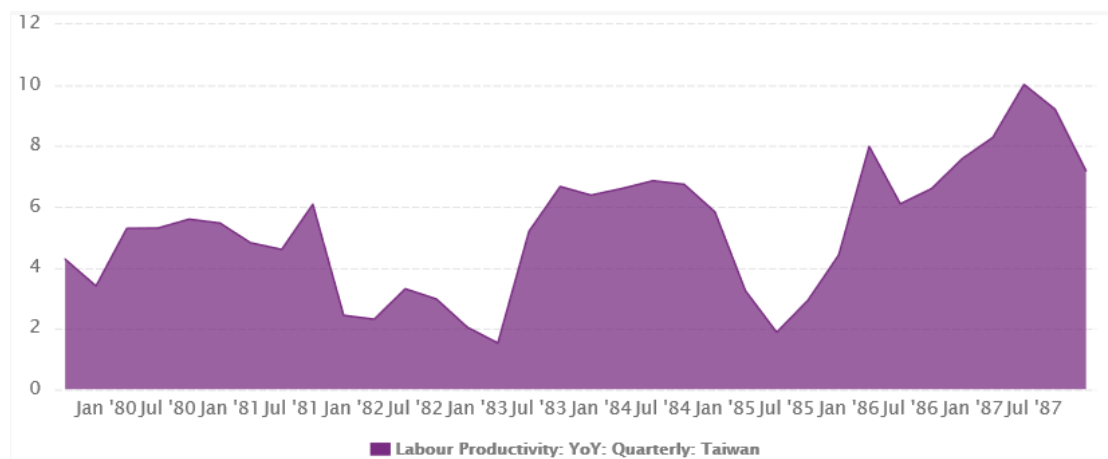
In analyzing another key indicator of the labor market, during the authoritarian period, labor participation was high, with an average of over 60%. High participation illustrates a high-level of social regulation, as embedded in the state apparatus, forming an important source of productivity. But, on the other hand, high labor participation rates reflects that more people were mutually embedded with the economic system. With the movement of the economic system, there were many who were highly affected, and this would, in turn, affect the political system. Consecutively, high labor participation corresponds to social shifts, land cultivation, and effective results of government management.

Chart 4.9. : Labor productivity rates, 1979-1987²⁷⁸

²⁷⁶ Information on salaries is reported by corporate employers and reporting on this is not mandatory. As such, it's hard to conduct a national survey on individual salaries and of small to medium sized enterprises.

²⁷⁷ Due to the limits of the original source of the information, this chart starts from 1978.

²⁷⁸ Due to the limits of the original source of the information, this chart starts from 1979.



Source: CEIC Data

As such, in analyzing trends in economic data, it is self-apparent that the mobility of the Taiwanese economic system was much higher than that of the political system. Or we could at least say that, in analyzing historical fact, the economic system grew faster than shifts could happen in the political system.

We can arrive at two inferences. 1. as this appeared like a parallel line, this illustrates that the political system was changing more slowly than the economic system during this period. Or 2. If the development of the economic system was due to the control of the political system, or if the economic system was not controlled, that the economic indicators grew ten times in a short ten years means that the amount of social pressure or capacity was more than ten times. Any political system could not develop in such a short period of time.

Whether the first inference or the second is more correct, the political system was the supreme authority for leading the political evolution, and this suffered extreme challenges from economic growth. The political system sought to increase taxation plans and the national finances through economic planning, but in terms of overall economic growth, the political system should hand the scepter of control to the political system.

4.2. The bureaucratic system and unions in the midst of strategic groups

As such, in examining this period of time with regards to the formation and assemblage of Taiwanese strategic groups, as well as the process of conflictive groups and their interaction, we can take the following as the points of departure for our investigation. First, the paths for political participation and mobilization; second, behavior in terms of political participation on the basis of resources; and third, active factors in terms of this participation.

4.2.1. Methods for the social embeddedness of the political system and legal system

According to what was described previously, the Chinese KMT confronted both internal and external tensions after it came to Taiwan. Yet during this historical period, we can observe the following changes.

From the beginning of confronting the defeat of the KMT, the CCP decided to continue fighting the KMT, with many small skirmishes breaking out at seas between 1958 and 1979.²⁷⁹ The KMT was still under pressure after it fled to Taiwan by the KMT examining external political forces, resource allocation took priority based on proximity. Waisheng administrators, civil service workers, Taiwanese administrators, waisheng soldiers and their children, waisheng people, bensheng people, Taiwanese indigenous. The priority by which these people received resources became the basis for stratification in Taiwanese society, a categorization which cannot be avoided in research into Taiwanese society.

Later on, after the establishment of relations between the PRC and America in 1979, the ROC government lost its international position, with its number of diplomatic allies gradually decreasing. For those of subsequent generations raised in Taiwan, the dream of retaking China held by older members of the waisheng ethnic group was just a political dream, while more and more individuals reconnected with family members in China through underground channels. This meant that relations between Taiwan and China needed to become more normalized.

Second, intermarriage occurred between a portion off waishengren and Taiwanese benshengren, leading ethnic divisions to no longer be so clear on the basis of blood or origin. Third, although Taiwanese were indoctrinated with a new form of education and culture, and Chinese culture was the only social orthodoxy allowed, many of those educated under the Japanese were still alive, retaining to skepticism about the changes in the political system.

Confronted with such external factors, the government formed by the members of the KMT who had been twice “purified” continued to hold the historical perspective of the loss of China, and continued to fear farmers and workers —they were benshengren —as a potential threat because of communism. This was reflected in restricted channels for political participation for these groups. One can point to several consequences.

First, this led to the “gangsterization” of Chinese KMT members, with a lack of social and economic ties to the lower stratum of society.²⁸⁰ Second, in the Japanese localization which had taken place during the colonial period, Taiwanese society was still not yet mature in terms of political participation. And so, after the KMT came to Taiwan, through the institutionalization of political participation, political participation was reconstructed from the top-down. Third, with the waisheng ethnic group that came to Taiwan with the KMT, maintaining survival became an urgent issue for the government. For the KMT, the waisheng ethnic group constituted its arm, and with the large number of emigrants and passage of time with the elder generation passing away, the waisheng ethnic group that was

²⁷⁹ Between the Second Taiwan Strait Crisis in 1958 and the 619 Bombardment of 1960, although both sides announced a ceasefire, shelling continued until December 15, 1978, and that was only after America and the PRC declared the establishment of diplomatic relations on December 16, 1978.

²⁸⁰ Yu Ying-shih, "Zhongguo zhishi fenzi de bianyuan hua," *Ershiyi shiji*, no. 6 (August 1991): 15-25.

decreasing in numbers also needed to control ethnic groups in Taiwan domestically.

As such, we can observe quite clearly that during this period of time, social embeddedness in Taiwan revolved around, “Stabilizing the economic position of the waisheng ethnic group”. The aim transitioned from plundering resources to a strategy for stabilizing social structure, to achieve the aim of stabilizing political power.

Whether in terms of plundering resources or stabilizing political structure, this was closely bound up with the people’s livelihood. These were the circumstances in which parasitism transitioned to symbiosis, as can be observed most clearly in industrial relationships. Concerning the social embeddedness of the political system, legal system, and economic system, the aim was not only to accumulate economic resources, or to maintain the structure of Taiwanese society, but also to maintain the legitimacy and rational basis of the ruling regime.

As such, although the aim of the political rulers was to maintain social stability, from the standpoint of social embeddedness, labor relations were only for the sake of maintaining labor resources as the rulers desired. This was the most important, but also most obscure, political aim of the KMT at the time.

In looking at labor-capital relations from the standpoint of social structure at this time, if this is only read from a purely liberal point of view, we could analyze how ethnic groups formed the basis of workers’ relations with capitalists. But to advance this line of thought in terms of social development, in trying to address the question as to which specific groups were willing to become workers or capitalists, this becomes a question of why one would aspire to try and control a system or agree to facilitate its operation. In considering this line of thought, integrated labor-capital relations were formed from the social structure of Taiwanese society during this time, or at least served as the reason for the assemblage of strategic groups.

1. Withdrawing to Taiwan as a purification strategy of the KMT

As described before, in the process of the KMT government coming to Taiwan, some may have not come to Taiwan because of personal reasons, unwillingness, or their political position, or that they were been unable to obtain the Chinese KMT’s resources and so did not come to Taiwan. This led to the “purification” of the party, leading the KMT to become the political party in Taiwan which held the most resources, as well as the sole ruling party.

After this purification, it would appear as if the KMT made decisions on the basis of internal decision-making. But in reality this was a feudal, military clique system. For example, in 1949, the KMT’s central committee decided to give Chiang Kai-shek “resumption of power,”²⁸¹ and only until 1954 did the KMT central

²⁸¹ “Resumption of power” refers to that after the KMT’s defeat by the CCP and the KMT was forced to retreat to Taiwan and left office, but Chiang was named as president again by the Central Standing Committee of the KMT. Zhongguo guomindang zhong changhui, “Zhongguo guomindang zhong changhui linshi huiyi,” (Academia Historica, December 3, 1949).

committee formally vote him into power through a vote by the majority of the National Assembly, Chiang having 1507 votes in support and only 48 votes against. In the process, legislators, Control Yuan members, and National Assembly members worried that their personal interests would be harmed if they did not advocate resumption of power by Chiang, and so they pushed for Chiang's authority to be enshrined in the Constitution.²⁸²

This shows that there was much doubt in society at the time, otherwise Judicial Yuan head Wang Ch'unghui and Lin Bin would not have to sign off on this. Moreover, with the declaration of martial law in 1949, news rarely reported on this. Central elections were frozen until 1969, when there was by-elections for the National Assembly, for legislative yuan members, and for Control Yuan members. But representatives for the KMT after they came to Taiwan generally served until death, thus becoming known as the "National Assembly of Ten Thousand Years."²⁸³ Chen Cheng also obtained the seat of vice president during this period.

In examining historical facts, we see that central legislative representatives included members of the National Assembly, the Legislative Yuan, and Control Yuan, could continue to serve with high salaries while doing little for thirty years. Those who held such positions came to enjoy social benefits and, overall, this led to a set of relations in which political rulers were close to business. At the same time, there was a clustering of business and political interests, making it clear that law was a means of social control. Consequently, for each social element, to enter the strategic group not only required certain conditions, but also was determinant in what way strategic groups oriented towards the centers of power in society.

2. The intimate relationship between Taiwan's future destiny and the KMT

The KMT's defeat and withdrawal to Taiwan took place after fifty years of Japanese colonization. However, Taiwan's perspective on the international world and politics was reshaped after the Japanese colonial period, influencing the subsequent implementation of government. The KMT still feared the imagined enemy, the CCP, which had led it to implement martial law in Taiwan. On the other hand, Cold War thinking as promoted by America led to the imaginary enemy of *international* Communism, not just the Chinese Communist Party. As such, this is a way in which international outlook cannot only be said to have been the product of the KMT's worldview.

In reality, before the meeting, Pai Chongxi, Chen Cheng, and others had discussed their arrangement of duties with Chiang Kai-shek. See Pai Chongxi, "Pai Chongxi dian jiang zhongzheng qing fu zongtong zhi zhenzuo junxin wanhui jie yun," (Academia Historica, November 27, 1949), Chiang Kai-shek, "Chiang Chung-cheng dian Bai chongxi chenggao huannanyugong fendoudaodi juexin zhishengganwei." (Academia Historica, November 28, 1949), Chen Cheng, "Chen Cheng dian Huang Shao-ku jin Li Zongren qizhi binan xieze weiguo zhiyou wang Chiang Chung-cheng zongtong fuzhi," Academia Historica, December 1, 1949).

The following documents were only made publicly available after 2016.

²⁸² Central Daily News, "Sifa yuan wang yuanchang shuoming: Zongtong fu xing shi shi you xianfa genju," March 3, 1950, Central Daily News, "Da faguan linbin: You mingque jieshi ren jiang zongtong fu xing shi shi zai falu shang hao wu wenti," March 3, 1950.

²⁸³ Please see footnote 65.

But as with George Orwell's 1984, Taiwan's martial law period not only led to Taiwan being closed off from the international world. And if people questioned this state of affairs, they would be deemed Communist bandits according to the dictates of martial law. With a closed off geographic terrain, this led Taiwan to lack ways to widen channels for exposure to the international world. Because Taiwanese could only come in contact with the KMT's vision of Taiwan's future, there was a lack of space to consider any third option. As described earlier, part of the economic basis by which the political rulers held power was U.S. AID, and these factors have made Taiwanese society generally adopt the government's policy principles and arguments as the only creed without question. When I conducted interviews in 2012, many interviewees expressed the following points of view:

At the time of the Second Taiwan Straits crisis, I wrote a final testament in a tunnel in Kinmen, preparing for an intense battle underground...of course, I was frightened to die, but I thought of Taiwan only retaining the Pacific Ocean, and there was no way I could retreat...now looking back on why we were prepared to die fighting them, we're prepared to embrace them now, saying that blood is thicker than water and that they're not the enemy. It was them who said that the CCP was the enemy. Those that decided the CCP is not the enemy were also them.²⁸⁴

The one expressing this was a member of the strategic group in Taiwanese society, but it is regularly unquestioned that one must rely on the ruling party's claims. This attitude also exists in terms of worker-capital relations. Firstly, seeing as Taiwan's existence was, in government policy, for the aim of the KMT retaking mainland China, the militarization of administration led to this also becoming standard in the management and running of businesses. Second, in certain government-run or party-run industries, there were no other companies in the same industry. Privately-run industries could only cooperate at a low level with government-run or party-run industries. Third, as the majority of these government-run or party-run businesses were controlled by the waisheng ethnic group that had come to Taiwan with the KMT government, this led to different places of residence for Taiwanese benshengren, as well as paths to employment, with the waisheng ethnic group filling the vacancies left by the Japanese who had left Taiwan. Fourth, even if many Taiwan businesses have immigrated to China or to Southeast Asian countries, militarization of industries was a characteristic of how they conduct business. One can quickly find videos of this so-called "militaristic" style of business online in less than ten minutes, as a way by which taishang promote their effectiveness in running businesses, entirely without the belief that economic production needs should address workers' or human needs.

3. Institutionalization as a strategy

As described in section 6 of chapter 3, many of the Nationalist government's labor regulations were formulated in a specific era. During this period of time, labor related laws appeared and were frozen without being reprised subsequently.

²⁸⁴ 2012 interview

Examining the Labor Union Act, after its implementation in 1929, in 1943, 1947 and 1949, the text of the existing law was thrown out and replaced with a new law, without any line-by-line amendment. During the war with the Chinese Communist Party, the KMT further expanded the scope of regulations on labor to regulate unions and public gatherings. Namely, during the national revolutionary period, the KMT government had to establish the pretenses of ethnic racial, class, and occupational equality, and also wished to prevent infiltration by the Chinese Communist Party among the working class. This is why the text of the existing law would be thrown out and new text drafted.

After coming to Taiwan, industries originally present in China had to confront the new environment and social circumstances present in Taiwan and make necessary adjustments. The KMT government declared martial law in order to achieve their aims, only amending elements of labor law as late as 1975. Outside of labor law, other laws were not amended. But relatively speaking, laws not related to labor were not changed too much by martial law, though some saw new lines added or some amendments.

This points to how, at the time, the main axis of labor law was actually the National Mobilization Law, which took higher priority as a way to resolve labor-capital disputes during this period. In examining this law carefully, line fourteen of the law states that the government must resolve labor disputes, and forbids labor actions such as blockading factories, striking, or going slow. Line 5 of the Outline for Mobilization, Suppressing Chaos, and Implementing the Constitution states that labor and capital should cooperate and that if there are disputes, this should be arbitrated by law, and that going slow, going on strike, to cease trading, shutting down a factory, or other means of blocking productivity and disrupting social order, will be punished according to the law. Under martial law, labor agitation could be punished with death. The various administrative orders promulgated after the implementation of the martial law also limit the realization of basic labor rights, i.e. forbidding illegal gatherings, forming organizations, demonstrating, petitioning, striking, and stopping work.

We can see that during this period, with the implementation of such restrictions during the martial law period, labor disputes were seen as something that could negatively influence economic development and disrupt social order. As such, the Labor Standards Act, which originally set out to protect workers' rights, became instead the means for ensuring hierarchy and control of labor and workers.

According to the rules of the labor market, both labor and capital had no way of establishing relations with the other side individually. Both sides were aware that they were not the main actors in the labor market, and that it was the government bureaucracy which controlled what took place. Consequently, for workers constituting a strategic group, this led to a dependency on bureaucracy and legal institutions. As such, there was no avoiding the influence of the government and bureaucratic system, despite attempts to rely on the legal system as a form of mediation.

This sort of reliance on the law and the bureaucratic system led the government to become the supreme authority in resolving disputes between labor and capital. And in practice, with the priority on economic growth, capital was favored.

On the other hand, through various historical periods in Taiwanese history, whenever labor and capital have a dispute and are unable to come to an agreement, or attempt to enter into dialogue, there is the irregular model of both sides always relying on the government to mediate. The reason why this is irregular is because labor and capital lacked channels for participating in the political system, with the government providing for this space for dialogue serving as one of the few means of direct political participation available for interactions for both sides. The most visible proof of this was how both labor and capital put funds into retirement pensions which should be autonomously managed, but instead the government used this as a means of stabilizing the stock market.²⁸⁵

4. Economic splits between members of the waisheng ethnic group and the Taiwanese bensheng ethnic group

Apart from the government and bureaucratic system, when the KMT came to Taiwan, this also included 1,200,000 soldiers²⁸⁶ and people collectively known as the waisheng ethnic group. In order to quickly find a place of residence for these individuals, who then constituted close to 15% of Taiwan's population, this became the most difficult political challenge during this period.

600,000 Japanese left Taiwan, leaving a space in society and in housing which the waisheng ethnic group subsequently took up. But 600,000 Japanese was about half of the number of soldiers that rapidly entered.²⁸⁷ For this form of parasitic colonialism, there were considerations for the survivability of the host, usually in terms of maintaining productivity and population numbers. In confronting the PRC, for the KMT that meant an army to fight against the communists. Through such tactical considerations, in attending to the needs of the waisheng ethnic group that had entered Taiwan, this was bound to lead to an effort to rearrange the economic status of the two groups in society, in hopes that the economic conflicts that could arise from the integration of the two groups would not affect the stability of the regime.

At the same time, in declassified documents, there has yet to be found any record of social planning for this period in time. The space for native residents of Taiwan shrank in the political decision making system, from which they were excluded. In analyzing the results of national examinations and government-run and party-run enterprises, one can clearly see the context for both groups.

²⁸⁵ The National Security Fund was placed under the Executive Yuan in 2000, as means of connecting government bureaucrats and experts, but no tax duties for labor and capital representatives, with the aim of stabilizing the capital market and financial market. The sources of this fund are 1. The postal service deposit, 2. Public servants' retirement funds, 3. Labor insurance fund, 4. Labor retirement funds, and other sources are government-run banks and loans from finance groups

²⁸⁶ *Ibid.*, p. 260

²⁸⁷ *Ibid.*

We can at least come to the following conclusions. First, the political decision making system relied on the KMT's "greater China" ideology, with Taiwan only being one of 36 provinces. In terms of representation in the National Assembly, Legislature and Bureaucracy, Taiwan was allotted representation as only one out of 36 provinces, and the remainder was controlled by the waisheng ethnic group.²⁸⁸ This prevented bensheng residents of Taiwan from having channels in the political system to reform or oppose the system, as well as assuring the waisheng ethnic group their economic livelihood. Secondly, as described beforehand, the national examination constituted a means for the bureaucratic system to recruit talent, and average people would use the examination system as a means to move up in society, but for bensheng this was a very narrow channel in the early period because of provincial quotas, plus language abilities.

Of course, as should be well known, the KMT's national examination system focused on the Chinese language, and what was tested on the exam was based on the KMT's historical perspective. Native residents of Taiwan had the right to take examinations, but in the early stages of when the KMT came to Taiwan, those accepted would generally not be bensheng residents of Taiwan. The test also secretly served as a filter, to ensure that waisheng residents of Taiwan had positions, and bensheng residents of Taiwan were left behind. Third, there were shrinking channels for representation in terms of the bureaucratic system and national examinations, as also with regular businesses. In terms of employment opportunities, during the Japanese colonial period, Taiwanese natives constituted 70% of employment, using Japanese as part of their daily lives. But when the lingua franca changed to the Chinese language, many found themselves functionally illiterate and so could not find employment opportunities. This is how one person described the situation at the time:

Because I did not know Chinese, I could only work in a private clinic, since the doctors had all studied in Japan...I worked as an accountant...²⁸⁹

As Ye Rong-zhong wrote in a letter to his family, describing the social situation after the KMT assumed control:

Because of the past fifty years of history, the average person is quite poor at Chinese, leading them to be looked at with contempt and to be quite unlucky.²⁹⁰

²⁸⁸ See footnotes 42 and 43 in chapter one.

²⁸⁹ Ibid., p. 200.

²⁹⁰ Ye Rongzhong, "Jiashu" in Ye Rongzhong quanji 9: Ye Rongzhong nian biao, 1964. p. 89. Ye Rong-zong (1900 to 1978), was a well-known Taiwanese intellectual opposed to the Japanese, taking up a post as Lin Xian-tang's executive secretary, and also was a poet, journalist, editor, commentary, organizing the magazines *Chen zhong* (晨鐘) and *Nan yin* (南音). He was an important person, in politics, economy and culture, but was criticized as right-wing by Cai Peihuo, Wu San-lian, and others. Ye had a strong focus on history, collecting historical materials, including 3,000 manuscripts and letters dating from the Japanese colonial period until after the Sino-Japanese War. He wrote over ten books including "Taiwan minzu yundong shi," "Taiwan Renqu qunxiang," "Ri ju xia taiwan zhengzhi shehui yundong shi, Jindai taiwan jinrong jingji fazhan shi deng," and over 600 poems. A digital archive plan of his works has been started at National Tsing Hua University, which can be seen here: <http://archives.lib.nthu.edu.tw/jcyeh/>

Furthermore, because the labor market had language requirements, this led to an ethnic segregation especially in the labor market for public sector enterprises and party-run enterprises. On the one hand, this reduced the possibility of economic contact between members of the waisheng ethnic group and native groups in Taiwan, with institutionalization influencing how both groups pursued a livelihood and sought employment opportunities on the labor market. On the other hand, this also demonstrate the effectiveness of the political system in administering the nation such that economic contact between the two sides did not lead to conflict.

During this historical period, the results of institutionalization could be seen in education, culture, and various areas, as a highly particular phenomenon to Taiwanese society. Outside of the segregation in the labor market, this also led members of the military, public servants, and teachers to be divided from regular workers, seeing as they were workers with employment assurances that others lacked. Because of an integrated retirement plan for government employees, there was no need for control through a trade union.²⁹¹

5. Culture and education as tools

For the bureaucratic system, public sector enterprises and party-run enterprises, the national examinations served as a means of recruitment to these forms of work. These types of jobs were referred to as an “iron rice bowl” in the economic market.²⁹² For workers, the educational system proved a means of securing stable employment. Passing examinations in the educational system and obtaining high scores became a requirement for workers seeking entrance to the labor market.

The educational system was established in Taiwan during the Japanese colonial system, as a system spanning from elementary school to middle school to high school and college. Significantly, in Taiwan’s social system, strong links developed between school education and the labor market. For example, graduates of vocational high schools, agricultural high schools, and technical schools, outside of being able to obtain the substantive means to provide for their families on the market, could obtain opportunities for social advancement.

Compared to the private schools which existed during the Qing dynasty, schools during the Japanese period had a set curriculum system and, even if one was unable to enter the bureaucratic system, one could use the knowledge gained through the educational system to find other pursuits, and the amount of expenses

²⁹¹ Guo Guan-ying, “We are high-class waishengren, the Taiwanese are Taiwanese bandits” Guo Guan-ying was born in 1949, of the waisheng ethnic group, and he served as a public servant. In 2009, under the penname Fan Lan-qing, he published an article demeaning members of the bensheng ethnic group with different political views. Although he was relieved of his post for views unbecoming of a public servant, he was transferred to Executive Secretary of External Affairs for the Taiwanese Provincial Government, and after one month, was able to retire once he reached retirement age and receive his pension as a retired public servant.

²⁹² The “iron rice bowl” refers to jobs obtained through passing a national examination and taking up a post as a civil servant, with a stable salary, labor insurances, living subsidies, educational allowances for one’s children, and retirement pensions, and no real threat of being laid off. This does not only refer to civil servants in the bureaucratic system, but also refers to workers in public sector or party-run businesses, and during this time, such jobs as public servants, in the military, or as educators were primarily taken up by members off the waisheng ethnic group.

one needed to pay to go to school was cheap compared to the value of the knowledge obtained. This led citizens to willingly accept the educational system.

With the universalization of education, this expanded from only a minority of males receiving education to all school-age males and females. In accordance in traditional Chinese culture, as well as befit the authority of the state apparatus, veneration for teachers and authorities was highly emphasized. But, either way, through school education, students could gain the means to form families, and this was the most important function of education in terms of social embeddedness.

Because the KMT inherited the Japanese colonial period's system of education, the educational system had no way of accommodating surplus manpower; it took over the positions left by Japanese who left after their defeat. The positions could not be taken up by Taiwanese benschengren who could not teach in Mandarin. To some extent, this alleviated the issue of finding a means of livelihood for waishengren and, on the other hand, education became a means of shaping intellectuals as the backbone of society, smoothly taking over the leadership positions left by the Japanese.

In declaring martial law, the government announced a period of "Mobilizing to Reduce Chaos," and "Opposing Communism, Counteracting Russia" as the fundamental national policy, implementing the "Reducing Chaos, Nation-Building Implementation Outline" series of ordinances, with "Reducing Chaos and Building the Nation" as the primary directives for education. This was a means of strengthening national consciousness and expanding Chinese culture, and with the broader aim of eliminating the influence of education left from the Japanese period, thus to strengthen the supreme power of the Chinese nation.

As such, apart from continuing Japanese era practices such as uniforms, short hair, and physical education, each school also had a KMT party section, with teachers in most schools having no choice but to join the KMT, and being compelled to teach only what was in a specific curriculum. Middle school and high school students were made to march every day, ceremonially lower the flag, and each grade held military song competitions, essay competitions on patriotism, etc. Target practice was implemented from the high school level, and the Three People Principles of Sun Yat-sen was a required course and was tested on for examination, and military education was taught in schools.

Under such conditions of social embeddedness, the proportion of school age children attending class became higher than in the Japanese colonial period. In 1951, this was 81.5%, and by 1961, this was 96%. With U.S. AID, Taiwan's economy gradually recovered, and the investment of resources in education improved the quality of education. Competition for the entrance exams for different schools became more and more intense. This also resulted in a winner-take-all attitude in terms of social and political perspectives, in which anything below number one was seen as meaningless. Within this social structure, education engendered relations of competition, not only influencing educators, but also parents. As such, in analyzing enrollment numbers, in 1968, when

national middle school education was established, national education was extended to nine years, and those who graduated from elementary school had increased from 74.2% in 1968 to 100% in 1990.

In terms of academic disciplines, during the Japanese colonial period, Taiwanese education leaned towards technical training, with a lack of humanities and social sciences because of political pressures. But this restriction was limited to on Taiwan itself, with Taiwanese or Japanese residents of Taiwan able to study these subjects if they were willing to travel to Japan or other countries.²⁹³ But through the influence of the KMT after the declaration of martial law,²⁹⁴ this also affected the academy further, sealing off Taiwan and cutting off these academic disciplines.²⁹⁵ As a result, the humanities became neglected by most families, and for those who sought to study abroad, Japan usually was not their choice of destination, but America or Europe. One had to pass rigorous inspections to travel, and a strict “baojia system (保甲制度)”²⁹⁶ enforced. As such, a vacuum began to appear in academic training, with a further concentration of focus on technical training more than took place under the Japanese colonial period, and with a background investigation of loyalty to the regime before being allowed to go abroad. Whether students were allowed to study abroad often was related to their family background.

As such, in examining these changes from the standpoint of social embeddedness, the universalization of education raised the standards of the labor market, and this led to faith in national education policy. But to look at it from another point of view, the ruling forces of society used existing attitudes toward education in Taiwan to demand loyalty support, and rather than being a unilateral success of the KMT, this was a result that could only take place due to lingering influences from past Japanese rule, as well external U.S. AID. The interaction of internal and external factors led to this successful result of reforming the Taiwanese educational system.

But under the grasp of the government apparatus, the extension of national education and the adjustment of high school and professional education was to meet the labor manpower needs of the national economic construction, rather than truly for the sake of constructing a comprehensive educational system. Importance was attached to education because it allowed for employment, military training, and collective identity, inculcation of the greater China ideology,

²⁹³ See the third section of chapter three, regarding Taiwanese society before the martial law period.

²⁹⁴ After the KMT came to administer Taiwan, on the one hand, it issued paper money, stocks and bonds, government bonds in both Taiwan and China in order to make up for its financial issues after the Sino-Japanese War and the Second World War II. At the same time, it transferred a great deal of resources to China from Taiwanese privately-run industries without compensation, and issues a large amount of loans to workers in the hollowed out public sector to serve as working capital. As such, the large explosion of money, and lack of material resources led to inflation.

²⁹⁵ For example, the 1971 National Taiwan University Philosophy Department incident, in which the arrest of ten liberal students and teachers on charges of anti-Communism led the department as a whole to closed for one year, or the 1981 Chen Wen-chen Incident, in which the dead body of Carnegie Mellon professor of mathematics Chen Wen-chen was found on the National Taiwan University campus after Chen returned to Taiwan to visit his family.

²⁹⁶ In leaving the country, one had to have a publicly employed person serve as guarantor, in order to ensure that this person would not delay in returning to the county.

also explaining the lack of importance accorded to humanities education and critical thinking as significant aims for education during this period.

At the time, it seemed as though the questions of legitimacy faced by the KMT after coming to Taiwan had vanished by satisfying economic demand, even if this was masking social undercurrents that would later lead to shifts in society.

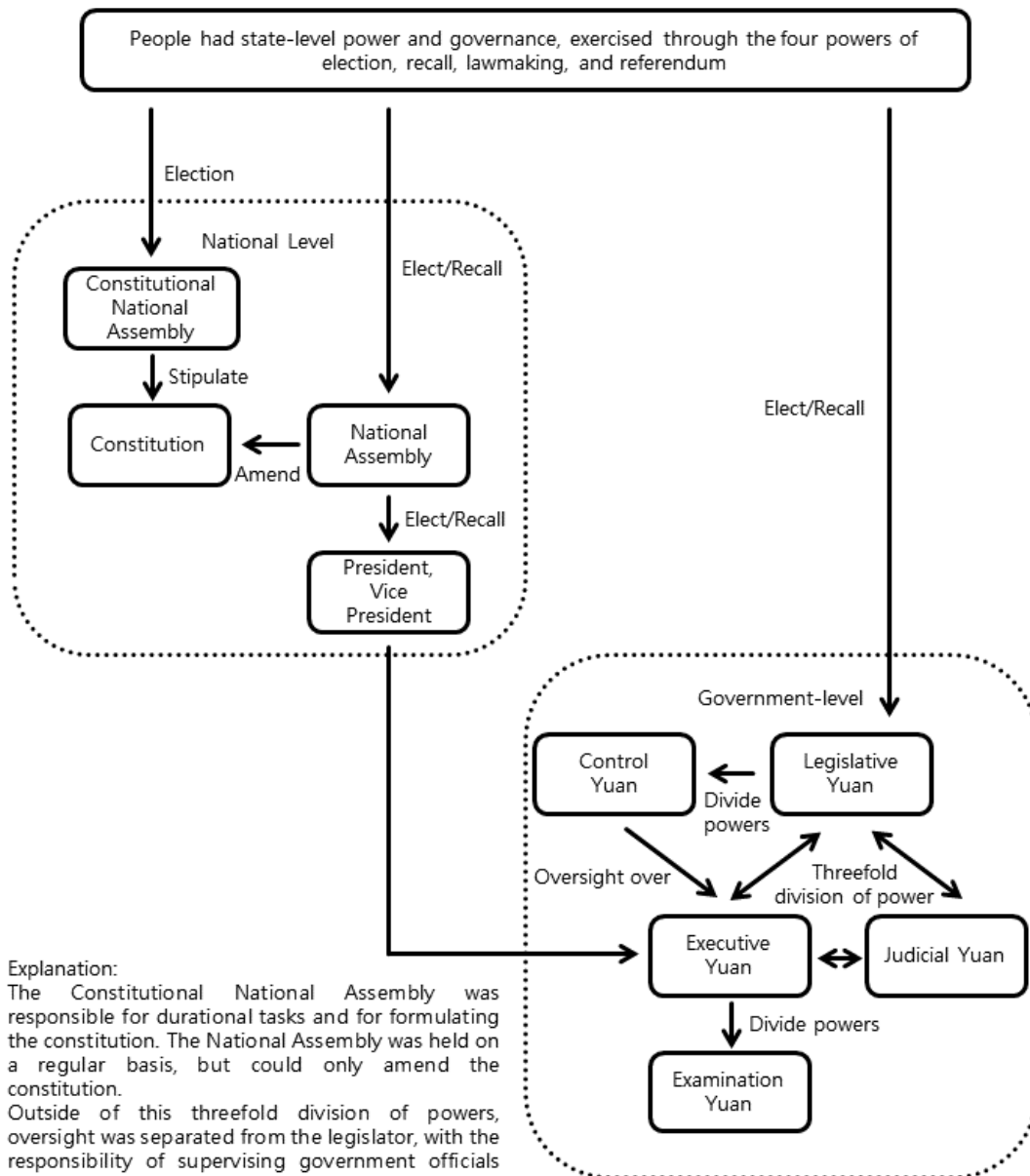
4.2.2. Paths for political participation for workers under conditions of institutionalization

The Constitution used by Taiwan was proclaimed in 1947. Here we must emphasize that in 1947, Taiwan was still under Japanese rule. In the process of this Constitution being written, there no means for the Taiwanese people to participate in this process. As such, the citizenry, geography, and social orientation referred to in this Constitution did not correspond to that of Taiwan. When the KMT government implemented this Constitution on Taiwan, this was also in struggle with the CCP over the status of representing China. This eventually led to difficulties of the design of the pension system regarding labor regulations, and with such considerations, but there was a subjective unwillingness to confront this due to the KMT's greater China ideology.

During this period, the KMT concealed the Constitution's gaps from political reality and instead clung to formal constitutional authority, leading to the criticism that the KMT acted almost as an ostrich hiding its head in the sand might. Martial law effectively negated the civil and social protections written into the Constitution, e.g. freedom of speech. Yet using strategic group theory as a basis for analyzing the Constitution and the paths institutionalized for political participation, we can come to the following conclusions:

Figure 4.2. : Structure of the central government in the ROC Constitution from 1947 to 1991

1947 - 1991 ROC Constitution and Central Government Framework



Explanation:
 The Constitutional National Assembly was responsible for durational tasks and for formulating the constitution. The National Assembly was held on a regular basis, but could only amend the constitution.
 Outside of this threefold division of powers, oversight was separated from the legislator, with the responsibility of supervising government officials and financial regulation. The Examination Yuan also had divided responsibilities outside of the Executive Yuan, responsible for examinations and the qualification for the appointment of government officials.

Source: Adapted by the author, original from Chou Yang-shan, 2013²⁹⁷

From the above picture, you can see a diagram of the means for political participation available to workers under the ROC constitutional government system

1. On the level of the nation-state, through a class-based National Assembly and

²⁹⁷ Chou Yang-shan, "Sun zhongshan de sixiang tixi yu 'zhongguo moshi'", *Prospect & Exploration*, no. 12 (December 2013): 34-60. p. 52.

regular National Assembly elections, representatives to the National Assembly are able to oversee the Constitution and amend it. Article 26 of the Constitution guarantees representation for workers and capitalists.

The National Assembly shall be composed of the following delegates:

- a. One delegate shall be elected from each county, municipality, or area of equivalent status. In case its population exceeds 500,000, one additional delegate shall be elected for each additional 500,000. Areas equivalent to county or municipalities shall be prescribed by law;
- b. Delegates to represent Mongolia shall be elected on the basis of four for each league and one for each special banner;
- c. The number of delegates to be elected from Tibet shall be prescribed by law;
- d. The number of delegates to be elected by various racial groups in frontier regions shall be prescribed by law;
- e. The number of delegates to be elected by Chinese citizens residing abroad shall be prescribed by law;
- f. The number of delegates to be elected by occupational groups shall be prescribed by law; and
- g. The number of delegates to be elected by women's organizations shall be prescribed by law.

Section f, in referring to occupational groups, describes workers' groups and capitalist organizations, including labor unions and business groups. The limit on representation for occupational groups was 487 positions, occupying 13.4% percent of the National Assembly, in which there were a total of 3,645 seats.²⁹⁸

2. On the level of the government, representatives of the people's will are legislators, who are decided through voting, and who can set up laws, and check judicial and executive power. Article 64 of the Constitution also specifies assurances for representation between workers and capitalists.

Members of the Legislative Yuan shall be elected in accordance with the following provisions:

- a. Those to be elected from the provinces and by the municipalities under the direct jurisdiction of the Executive Yuan shall be five for each province or municipality with a population of not more than 3,000,000, one additional member shall be elected for each additional 1,000,000 in a province or municipality whose population is over 3,000,000;
- b. Those to be elected from Mongolian Leagues and Banners;
- c. Those to be elected from Tibet;
- d. Those to be elected by various racial groups in frontier regions;

²⁹⁸ Liu Qing-ruì, *Zhonghua mingguo xianfa yaoyi* (Sanmin Book Company, 1993), p. 123.

- e. Those to be elected by Chinese citizens residing abroad; and
- f. Those to be elected by occupational groups.
- g. The election of Members of the Legislative Yuan and the number of those to be elected in accordance with Items 2 to 6 of the preceding paragraph shall be prescribed by law. The number of women to be elected under the various items enumerated in the first paragraph shall be prescribed by law.

The “occupational groups” referred to in Section f also refers to workers’ groups and capitalist organizations, including labor unions and business groups, assuring unions the right to representation. The total amount of representatives of the time was 89,²⁹⁹ out of a total of 773 members of the legislators. This was 11.55% of all of the 773 legislators.

3. On the level of the government, the Executive Yuan constituted an important institutional mechanism for labor relations. A department of social affairs which had a labor section was formed in 1948. This was dissolved in 1949, and labor affairs were shifted to the Ministry of the Interior, with a labor department set up under the ministry. In 1987, this department was changed and upgraded to a working committee of the Executive Yuan. Workers or individuals that concerned themselves with labor issues enter the government system through testing and take up appointments in this department.

Likewise, outside of what was described above regarding the national constitutional government and central government, there were also local governments. Under local rule regulations, provincial and county-level councilors, were responsible for regulating administrative authority regarding workers, and also served as channels for political participation for workers under the same “corporatist” structures.

But there were no quotas for workers specified at this level. Moreover, local labor administrative authority was originally not meant to have a permanent existence. In examining Kaohsiung as an example, seeing as it was then the most heavily industrialized city, in 1970, the Kaohsiung city government set up a section for mining inspections under its Department of Social Welfare. In 1986, this was changed to a general labor inspection section, and only in 1988 did this become separate from the Department of Social Welfare as the Kaohsiung City Department of Labor.

As such, for members of strategic groups, political representation and government administrative mechanisms, whether at the local level or central level, at least had channels for affecting change in social structures in terms of institutionalization as a whole. At least at the level of central government, there were constitutional guarantees for a basic level of representation that constituted more than 10% of representative bodies.

²⁹⁹ Liu Qing-rui, p. 187.

Nevertheless, these channels for political participation generally took the view that workers should have a primarily inactive role. In examining history, whether with regards to labor rights as a whole or individual labor disputes, one finds the opposite of what one might expect: that Taiwanese workers did not have assured political representation that might allow them to speak for their own interests. On the contrary, they became disprivileged. As such, analysis of this period should not begin from whether workers had paths for political participation on the basis of social embeddedness, but the socioeconomic position of strategic groups.

According to the stipulations of the ROC Constitution, with regards to representation in the National Assembly and the Legislative Yuan, representation of Taiwanese delegates only constitute one out of 36 provinces. But after the victory of the CCP in the Chinese Civil War and after the KMT came to Taiwan and lost administrative power over China, it was no longer possible to hold “national” elections, there was no substantive change in the delegates for provincial delegations in the National Assembly or Legislative Yuan, leading descendants of individuals from a specific province to become strategic groups and political groups similar to bloodline nobility. For delegates from Taiwan that entered the Legislative Yuan or National Assembly, because of this feudal structure, they had almost no influence.

Assurances for occupational groups thus became a protective umbrella for these strategic groups. For occupational groups elected in China that then came to Taiwan, they might not be workers, and might not understand the situation of Taiwanese workers. In spite of the frozen system of elections, this was still the only means for workers to have some way of political participation in the ROC system.

What is more, the National Assembly could only revise the Constitution and had no authority to throw out the old Constitution and amend a new one. For workers, they required clarification of who constituted the “citizenry” and “nation”. As such, there was no way to settle the most fundamental legal issues facing workers or to account for them.

As such, although workers confronted institutionalization with regards to laws and government administration, this also influenced the formation of unions. In analyzing workers and unions, the law only recognized unions in public sector industries and party-run enterprises, with commercial enterprises and new companies having no way to legally form labor unions.

In 1950, through the “Main Points for the Chinese KMT’s Centrally Administered Occupational Party Section to be Converted to a Committee”, regarding rules for organizations, the responsibility “for leaders to unify industrial unions to fulfill the needs of the party” was clearly outlined. The concrete responsibilities for this were to “implement economic decisions made by the party, to promote development, and to organize and lead the masses.” The same year, the Taiwan Provincial Industry and Mining Party section announced that “the Taiwan Provincial Industry and Mining Industry Union will follow the leading principle of

unification with China” to implement “using the strength of the part as the core of the organization, to increase leadership, in order to avoid infiltrators creating chaos”.³⁰⁰ From this, one can see that the KMT government attempted to use the government to implement its aims and to incorporate unions into the party structure, leading unions to become an external structure for the KMT.

As such, the important goal of labor unions during this time, a goal determined by government fiat, was not to secure workers’ rights, but to accommodate the directives of the party and to carry out economic aims set by the bureaucratic system, to improve workers’ productivity, and to pursue national aims of unification with China. One can outline three approaches taken by labor union party cadres at the time: First, to live parasitically within labor unions, as they were sent from the bureaucratic institution of the party-state; second, to serve as a channel for the indoctrination of labor groups. As such, non-workers infiltrated workers’ groups, as an externalization of the bureaucratic system.

Because of such influences, in government-run enterprises, party-run enterprises, and some large-scale privately run enterprises, party sections were set up, and unions were set up in industries including railroads, highways, the post office, electrical power, shipping, and other transportation related industries, coal-mining, iron ore mining, other ore mining, the confection industry, machinery, chemistry, textiles, the salt industry, oil, papermaking, cement, and other industries crucial for society. In these planned enterprises, labor unions were set up, with party cadres installed in the labor union, and in this way, through the key factors of economic production and the political system itself came to have closely embedded circumstances.

Through political factors and economic factors coming to closely integrated relations, political factors came to guide, leading to partiality. However, the political aim of “anti-Communism”, too, came to have a significant influence on the mentality of labor groups. With the international rise of Communism after World War II, international political forces may not have been willing to become “Communist countries”, but using Marxism as a way to push against capitalism became a significant ideology for worker organizations worldwide.³⁰¹ Despite such international trends, closed off as it was from the international world, workers could only accept control by the party-state apparatus. This became another reason for investment in Taiwan by foreign capital, give the relative lack of militant workers’ ideologies in Taiwan.

In analyzing the mobilization of labor unions as set by the law, we might examine the political links between labor unions and the bureaucratic system, as well as the relation between party cadres and their provincial origin. The Taiwanese political system gave rise to party organizations, and although they had structural systems with complete organizational forms, this masks in several important

³⁰⁰ Chen Cheng-zheng and Xu Guo-gan, *Gong yun chunqiu: Gonghui Fazhi 80 nian*. p. 74.

³⁰¹ Under the party-state system, “anti-Communism” did not only mean opposing Marxism, but also socialism, social democracy, democratic socialism, and etc., resulting in that these forms of thought did not influence the Taiwanese social sciences.

respects why there was a high-rate of unionization. The answer is not because of labor rights, as should be easy to see.

In analyzing these three significant social factors in terms of party cadres in labor unions, party cadres were sent to different unions from the party. Although there were not many individuals sent to do so, taking up the position was not an end in itself, as party cadres were not usually stationed there for a long period of time. Such individuals might not have volunteered for the position or might not be a specialist in the industry they were assigned to. They might be surplus personnel in the bureaucratic system or their specialist field, and they might be assigned to be a cadre in the union only for a short period of time.

Serving as a party cadre would not lead to labor insurance or an expansion of rights, and for some, this may have been an attempt to pursue a higher political position through the labor union. In a higher bureaucratic position, one had to consider as one's main priority not conflicting with other sectors of government, and likely would not concern one's self with worker issues. Third, if one is not a laborer one's self, one might simply be hoping to secure the political support of workers. In labor or occupational group related fields, it would be easy to be noticed by workers but one would see workers in terms of supply and demand for political purposes, not as comrades.

As such, in examining the opinion leaders of this time, we may note that many legislators or National Assembly members had spent some time as party cadres in labor unions. But in interviewing many workers, one discovers that workers would not believe that this was true representation of workers.³⁰²

Yet in examining the ethnic background of party cadres in labor unions, as described previously, the job was primarily provided as a position to individuals to "educate the masses" and "weed out traitors" for members of the waisheng ethnic group. For non-waishengren to take up such a position was rare, and was only given to those with a "pure ideology," and who were close to the party-state system. The majority of workers were bensheng residents of Taiwan, while those involved in management or as labor union cadres were waisheng, leading to a hierarchical relationship.

The waisheng ethnic factor became a characteristic of the labor market, with the vacant positions of the military, public servants, and educators serving as the labor opportunities for members of the waisheng ethnic group. Because of the political aims of "opposing Communism" and "moving one's family to Taiwan", these individuals with the same background had no need for "education" and "weeding out spies". There were no need to form unions for control, contributing to the need to analyze the public and private markets separately. The political operation of the private and public sector, as well as their social embeddedness, led to different

³⁰² Brotherhood of labor can be seen in "A Working-Class Movement without Class Identity: Taiwan's Independent Labor Union Movement and the Limit of Brotherhood," *Taiwan: A Radical Quarterly in Social Studies* 72 (December 2008): 49-91.

union structures, which would become a large influence on their historical development.

As such, for Taiwanese workers we can say:

*We all knew that they just came here to pass time, it was just something for experience.*³⁰³

4.3. The formation of conflictive groups

Between the Japanese colonial period and what occurred after it, Taiwanese social structure was reorganized twice. As Japan hoped to assimilate Taiwan during the late Japanese colonial period, with policies to integrate Taiwanese and Japanese, this led workers to be able to participate in the political and economic system through democratic process and workers' representation. On the one hand, this period was of a short duration lacking opportunities for the expansion of social embeddedness and occurred because of Japan's situation during World War II.

After the KMT government came to Taiwan, because of the large social changes caused by its parasitism and the cultural gap and the labor participation of conflictive groups among workers, the early stages of the KMT's rule were similar to the Japanese colonial period.

After this period of time, with the stabilization of the social situation, the conflict of economic interests between groups intensified with the uneven distribution of resources. Given the impact of parasitism on language and culture, this gradually led to shared understanding. Conflictive group workers, due to social institutionalization and legalization, had some channels that existed in the political economic system. By contrast, with regards to whether labor conditions were sufficient for workers to survive, given barely subsistence level survival conditions, there was the attempt to find means of political participation once institutionalization was complete.

As such, the development of conflictive groups is clear during this period, and this continued afterward.

4.3.1. The conditions of uninstitutionalized labor groups

Strategic groups were thus divided by the government into two groups: Those that the KMT government saw as "One heart, one soul",³⁰⁴ such members of the waisheng ethnic group that were members of the military, civil servants, or public servants, in which there was no need to set up a union organization to enforce control. On the other hand, unions were used to administer the bensheng grassroots workers in need of social regulation, outside of government-owned corporation's agencies.

³⁰³ 2012 interview.

³⁰⁴ The ROC national anthem contains the words, "one heart, one soul; one mind, one goal". Official textbooks refer to this as, "With the same heart and the same virtue, we carry through with the Three Principles of the People until the very end"

Those labor cadres sent to regulate them were sent from government-run and party-run enterprises, in order to make larger privately run enterprises obey the party. This led to a divide among workers, that public sector workers and workers in party-run enterprises lacked unions and could be seen as part of strategic (i.e. party-aligned) groups, while some workers in the private sector unions had unions, and also had strategic grouping.

However, with regards the state of industries as a whole in Taiwan, there were many small industries, and the majority of Taiwan's workforce was employed in small and medium-sized enterprises. Yet even if the number of workers in some of these small or medium-sized enterprises might be large, it was common for unions to consist of more than 30 people.

There would not be enough members of the waisheng ethnic group to take up positions in every union, if forming a union were required by law. Second, if other members of the public or party-run enterprises was more advantageous, it was not easy for small and medium enterprises to have the resources for political mobilization. So for the position of union cadres, their task was a thankless one, without easy paths for promotion. As such, with members of small and medium-sized enterprises or other industries, one might not classify them as members of strategic groups, but can see that they had the potential to become members of conflictive groups.

In continuing to analyze the relation between Taiwanese institutionalization of labor unions and the waisheng ethnic group, one finds that in the Labor Union Act, it is stated, "Labor unions are to protect workers' rights, to promote knowledge, to promote productive enterprises, and to have the aim of improving workers lives".³⁰⁵ As unions were formed as underneath the party-state at this point in time, in the fourth chapter of the Labor Union act, it is stipulated that a union can appoint a limited number of directors or supervisors, who can take up such positions.³⁰⁶

On the other hand, the Labor Standards Act stipulated at this time in the 12th line, "If one has already joined an industrial union, one cannot join an occupational union." This was to prevent horizontal organization. The law also stated that "In the central government, labor unions are under the administration of the Department of Social Welfare; but in a city, in the city government, in a county, or in the county government, the work organized by the union should be 'to lead and provide oversight.'" This led to a pyramidal structure in the government structure.

As such, the organization of the strategic group is excluded from the pyramid of the trade union structure, and this was a "legal union" under the legal regulations that existed then. With the martial law that existed then, even if this allowed workers to try and assemble, they were not allowed to form unions, and it was not

³⁰⁵ Line 1 one of the Labor Union Act from 1949 to 1975. Here we must emphasize that this Labor Union Act was promulgated on January 7th, 1949 and that the KMT government's move to Taiwan was decided on December 8th, 1949. As such, the revision was decided upon by the KMT government while in China, and legislative elections for Taiwan's Legislative Yuan had not yet been held at that time.

³⁰⁶ Lines 14 through 18 of the Labor Union Act from 1949 to 1975.

possible for them to seek legal recognition as people's organizations. Consequently, if workers in conflictive groups wished to achieve political participation, we can come to two conclusions from our analysis: First, a solution was for an individual to seek political participation; the second would be to try and organize unions and achieve political participation by illegal means. The second option would be to form an organization that would not be a legal union or a legal civil organization³⁰⁷, but one that could be legally persecuted as attempting to subvert the government according to the Article 100 of the Criminal Law.³⁰⁸

This took place around the 1970s, as partly a product of external factors, both the Chinese Communist Party and Chinese KMT having gone through one generation of political succession. Both China and Taiwan had stable domestic political and economic situations by that point. This differed from the previous era, because this did not involve military combat, but was focused instead on international politics, with both sides striving for the legal status of "One China" in international politics. This led to a mutual contest of domestic strength. Domestically speaking, economic growth had consolidated the KMT's long-term dictatorship. But unresolved representational issues led to questions regarding the KMT's legitimacy under conditions of martial law.

As a result of the mutual influence of these external and internal influences, in 1971, the ROC was expelled from the United Nations. In 1975, Chiang Kai-shek died and in 1979, the US and Taiwan broke relations, a historical moment in the transformation of Taiwanese history. During and after this period, strategic and conflictive groups began to assemble to advance in a wave pushing for social change. Of course, the formation of strategic groups was not because of any singular reason and lacked workers' participation. For workers excluded from the political system, after the core of the party government was purified, and with the mixing of ethnicities in Taiwan after one generation, this was no longer the only factor distinguishing waisheng and bensheng groups.

The "taro" and "sweet potato" had become a "taro-sweet potato."³⁰⁹ That is, the division between waisheng and bensheng groups was no longer so clear after this point. National examinations became more open, as did the bureaucratic system and political elections after a period of time, and some benshengren were able to

³⁰⁷ Civil organizations, even recreational clubs, were requested to be registered with the government or else they would be considered seditious.

³⁰⁸ Article 100 of the Criminal Law was promulgated and implemented in 1935. It stipulated that those who attempt to destroy the state system, steal the national territory or use illegal methods to change the national Constitution or subvert the government, and implement it, shall be sentenced to more than seven years in prison; the main conspirator shall be sentenced to life imprisonment. An offender who intended but not yet realized these actions would be sentenced to fixed-term imprisonment of not less than six months but not more than five years. The law was not amended until 1992.

³⁰⁹ Taro was for Taiwanese farmers a foreign vegetable, which was rare and had a high price, and this became a nickname for waishengren. Sweet potato was a plant native to Taiwan, which was common and had a low price, and it was something that Taiwanese people referred to themselves as. Taro-sweet potato was thus used as an analogy for the descendants of waishengren/benshengren intermarriages. According to statistics, such marriages were primarily waisheng men and bensheng women, with marriages between waisheng women and bensheng men being very rare. The differences between these forms of marriage is also the object of academic inquiry.

enter into public-sector or party-run enterprises. But their role was primarily decorative for a system still controlled by a small group of mainlanders, this constituting the undercurrent for some labor conflicts and labor policy formulations aimed at addressing this. Not much reform was able to be achieved and because ethnicity was a major cleavage in the labor market and workers' way of life, as well as because of restrictions under martial law, workers were unable to legally conduct social movements. This became an impetus for social embeddedness, with the consolidation of conflictive groups as where the energy of potential social movements was diverted to.

With the combined influence of such external factors, workers in conflictive groups began to ally with other conflictive groups, leading them into a collision with the system. One of the most visible ways was during elections, in supporting non-KMT candidates. This reflects that, in terms of the ideological structure of workers, it was known that the issues faced by workers did not only come from labor-capital relations, but also from how workers related to the party-state system. In seeking a resolution for workers' issues, they could only turn towards the political arena and towards seeking democratic politics.

Only through voting could they overcome social differences with the waisheng group, since their larger numbers were their biggest advantage as a conflictive group.³¹⁰ In analyzing this, we can see that conflictive groups decided to unify with other social elements to politically protest, as a means of pursuing change. This should be no surprise.

4.3.2. Political participation behavior of conflictive groups

In analyzing workers' political participation during this time, externally, one observes political participatory behavior. Internally, one observes the formation of workers' class consciousness. External political participation refers to socially embedded behavior through external channels apart from labor-capital relations. The key points of this externally are, 1. How do workers decide or judge whether they should align with other social elements? 2. How do workers effect political change after organizing? 3. How do these changes feedback and affect workers themselves? With regards to the formation of class consciousness, this would relate to 1. How do workers come to a sense of self-awareness? 2. How does this self-consciousness feedback to lead to class consciousness across society as a whole?

In examining external political participatory behavior, this led to workers' support of the dangwai (opposition) movement. This was through support by private-sector workers who were excluded from benefits under the party-state. Through successive elections, non-KMT representatives were elected in the National Assembly, Legislative Yuan, provincial, county, and local governments. This gradually allowed for some administration of justice at the legal level.

³¹⁰ See section 4.1 for more on this pattern of immigration.

In this process, one discovers that the largest difference from elections carried out by the party-state is that the methods of coalition differed. Members of strategic groups in the party-state decided on successors often on the basis of bloodline descent. But even if placed in public or party-run enterprises, because of their origins and ethnic identity, such individuals weren't regarded as part of workers in the strategic group.

Organizing workers required meetings in various factories at night and annual rallies. But even if workers allied with strategic groups had labor-related demands, under conditions of martial law, protests were not possible. By contrast, because the workers in the strategic group, usually the in the public-sector, born out of those in power had the channels to directly communicate with the party-state, they did not need to take to the streets to protest. As such, for strategic workers' groups, they had a vertical relationship with the bureaucratic system, and no horizontal network of connection emerged between them. For strategic groups, when confronting labor issues, labor disputes proceeded according to individual disputes and through individual companies and factories, and the disputes were primarily addressed through the bureaucratic system. For a long period of time, the only way to address labor issues was through the bureaucratic administrative system, with no means of appealing for executive and legislative oversight, and there was no way for actions to be coordinated across different factories. This was also a characteristic of the institutionalization of the labor system.

Beginning from this analysis, the emergence of mobilization capacity for conflictive groups was limited—that is, without legislative and executive oversight. Workers in conflictive groups faced the institutionalization of the labor system and their long-term exclusion from the administrative system. Because this social system in the midst of conflicts, the government loosened some pressures, which was seized on by conflictive groups. And because of growing issues regarding legitimacy, the KMT gradually needed to open up elections, providing assurances for representation in the Constitution. This allowed conflictive groups to easily influence the political system, become influential, and achieve their political aims.

Although much research into Taiwanese political systems takes the view that the political structure of the KMT had a Leninist structure,³¹¹ with elections serving merely as a camouflage for the lack of democracy, one notes that elections took place not only within the party but also nationally.³¹² As such, there were mobilization aims that conflictive groups could strive for. A political struggle thus began between disprivileged conflictive groups and privileged strategic groups. The way that conflictive groups organized was different compared to strategic groups, with conflictive groups forming alliances, and with labor groups becoming the object of vertical control for strategic groups. This did not take place at the

³¹¹ Peter Zarrow, "Minquan sixiang yu xianfeng zhuyi: Minguo shiqi sunzhongshan de zhengzhi zhuzhang", *Academic Sinica Collection*, no. 78 (December 2012): 1-28, DOI: [10.6353/BIMHAS.201212.0001](https://doi.org/10.6353/BIMHAS.201212.0001). Feng Qi-hong, *Yi e wei shi: Guomintang ganbu xunlian de faren*, "Furen lishi xuebao", No. 15 (July 2004): p. 207 - 237.

³¹² Ye Mingde, *Zhengzhi xue* (Wu nan tushu chuban gufen youxian gongsi, 2006), p. 232.

level of individual factory environments, but through electoral activities, such as rallies expressing political viewpoints, which subsequently became gatherings for members of conflictive groups.

Workers from small and medium-sized enterprises were also generally part of conflictive groups. Because of their shared circumstances of exclusion from the institutionalization of the political system, they would mutually gather; workers in strategic groups from large companies would also gather, but the conflictive groups appeared stronger and more consolidated. One reason is that the motives for assembling were different, the other is the strength of the connections established once gathered were different.

Bensheng politician Kang Ning-hsiang is one example. He was born in 1938 during the Japanese colonial period and, as a worker, was elected as one of the first Taipei city councilors after restructuring in 1969, becoming a worker's representative. After being elected, Kang and Huang Hsin-chieh, Yao Chia-wen, and others organized the *Taiwan Zhenglun* magazine (Taiwan Political Review)³¹³ in 1975. *Taiwan Zhenglun* was the first magazine that analyzed the political situation from the perspective of Taiwanese. It was thought to have a specific purpose, to propagandize for the sake of elections at the end of the year, and to try and throw off the control of traditional pro-regime intellectuals, with the aims of serving as a magazine with a readership that consisted of regular people.³¹⁴

But under conditions of martial law, the magazine came under scrutiny from the Publication Act and printing was stopped after only five issues.³¹⁵ In analyzing the political participation of Kang and other dangwai movement participants, we note that the political participation of conflictive groups at this time had the following characteristics:

1. Organizing magazines for the sake of elections was an important form of political participation during this period. Although printing of *Taiwan Zhenglun* was stopped in 1975, other dangwai magazines replaced it and were highly active during this period, with newsstands carrying more than twenty magazines, such as *Shengeng* (深耕), *Zhengzhijia* (政治家), *Zongheng* (縱橫), *Jinbu* (進步), *Guanhai* (關懷), *Boguan* (博觀), *Zaiye* (在野), *Zhonguluo* (鐘鼓鑼), *Minzhuren* (民主人), *Qianjin* (前進), and etc.³¹⁶ Others were distributed through underground networks, or were published on irregular schedules.

³¹³ The name of the magazine in Chinese is 台灣政論, also called *Taiwan Political Review* in English.

³¹⁴ Li Wang-tai, "Ye huoshao bu jin: Chun fengchui you sheng!: Dang wai zazhi azhan shi lue," *Bashi niandai*, No. 1 (April 3, 1984): 11-17, p. 14.

³¹⁵ Tsai Sheng-chi, *Shengeng zazhi zhi yanjiu* (1981.6-1983.2), *Academia Historica Collection*, no. 15 (March 2008): 159-208, DOI: 10.7058/BAH.200803.0159. p.166.

³¹⁶ Tsai Sheng-chi, p. 167.

According to Hsiao Shu-ling's research,³¹⁷ dangwai magazines at the time can be divided into two categories. One would be politically moderate publications, which prioritized electoral paths for political participation, such as *The Eighties* (八十年代) series of publications. The other would be more radical publications that emphasized participation in social movements, such as *Formosa Magazine* (美麗島雜誌), or the *Penglai Island* (蓬萊島) series. Moderate publications supported enacting checks and balances after opening up electoral participation, while radical publications aimed for mass movements. Although both sought different means of electoral participation, in emphasizing Taiwanese consciousness and agitating for elections, these magazines had shared characteristics in that these magazines largely sought different paths to the same destination, hoping to effect changes in the authoritarian situation.

A key focal point proved to be the 1979 Kaohsiung Incident. Before the incident, dangwai magazines were focused on agitating for grassroots street gatherings. After the Formosa Incident, magazines standardized their publishing schedules, professionalized, and emphasized fighting for freedom of expression.

Taiwanese dangwai publications were not simply publications, but were a tool of conflictive group opinion leaders to communicate their views with members of the public. Dangwai publications were also at a point of conflict between strategic groups and conflictive groups, with strategic groups seeking to use legal means to block the publication of dangwai publications. Despite the restrictions placed on conflictive groups, dangwai publications tried to continue publishing through changing their name and relocating their offices.

Dangwai magazines thus became important for grassroots gatherings, with magazines purchased at gatherings as another activity that went on alongside speeches and etc.³¹⁸ On the one hand, the money from purchasing magazines went to supporting the movement, and this led to absorption of the information and theoreticization from the magazine as part of the movement. Given Taiwan being cut off from the outside world at the time, this became an important source of information about what was happening within the country or outside of it, information which was not being reported on by mainstream media. Dangwai magazines also served as a means for conflictive group opinion leaders to sharpen their views. The difference between opinion leaders of strategic groups and conflictive groups was quite large then, founded on differing political styles.

2. Elections were only held for the sake of appearances in Taiwan, with victorious candidates recommended by the ruling party. But as a result of this, dangwai participants also began to use clientelism as a means of organizing. Of course,

³¹⁷ Xiao Shu-ling, "Taiwan dang wai zazhi dui dang wai yundong de zuoyong (1979-1986) yi 'baishi niandai' xilie, 'meili dao,' 'penglai dao' xilie liang da luxian wei li", (MA Thesis, National Central University Department of History), National Central Library, <https://ndltd.ncl.edu.tw/cgi-bin/gs32/gswweb.cgi/ccd=XDEJkd/record?r1=1&h1=0>.

³¹⁸ Lin Qing-fen, "Yijiubaling niandai chuqi taiwan dang wai zhenglun zazhi chajin zhi tan", *Academia Historica Collection*, No. 5 (2005), p. 253-325.

this was different from the strategic group, in that conflictive groups could establish that were not founded primarily on blood clientelist relations, but on political ideals. After the historical period previously described, with racial intermixing and a shared existence between waishengren and benshengren, this fed back into social embeddedness, leading provincial, county, and city elections to become more reflective of general opinion and an important space of contestation between the both sides.

With vacancies opening up in the original 380 seats in the Legislative Yuan after the passage of time, from 1969 onwards, elections were held every three years up until 1989, with 130 seats opening up. The elections were only held in Taiwan and through these elections, bensheng residents of Taiwan were able to enter into the central government as democratic representatives, leading to gradual parity with waisheng residents of Taiwan, at least on the surface. At the same time, this led to concerns within the strategic group regarding loss of bloodline rights, leading to the use of vote-buying, violence, and false votes,³¹⁹ as means of influencing elections in order to protect one's privileges. In November 1969 elections for Taipei city council, Kang Ning-hsiang was elected by a large margin, and in the same year, Huang Hsin-chieh was elected in December, with assistance from Kang. In 1972, Kang participated in legislative elections and won again by a large margin, as did Huang's younger brother Huang Tien-fu, who was elected to the National Assembly.

As discussed in Wakabayashi Masahiro's research on Yeh Jung-chung:

...Kang Ning-hsiang accompanied Yao Chia-wen, Wang Tuoh, Chen Hong-zheng to meet Yeh in his residence in Taichung. Outside of this, on November 28, 1976, eight young people came to visit him through introduction from Kang...Yeh wrote in his diary, "You could say that they were people with heart; young people have gradually come to be concerned with the Japanese colonial period, it really does make one happy."³²⁰

This reveals that the conflictive group had, for different reasons, started to come together, with the use of shared strategy. This was true with regards to cultural issues as well, contributing to the development of communication channels between group members.

For intellectuals at the time, the social situation was that the Three Principles of the People proclaimed by the KMT no longer seemed to correspond to reality...Of course, after the start of the dangwai movement, this political contradiction seemed to expand, so I went to listen to every speech, and I bought many dangwai publications...you couldn't buy those

³¹⁹ For example, the Zhongli Incident in 1977, when anger over voter fraud in Taoyuan county magistrate elections led to citizens surrounding a police station. In 2014, The Reporter investigated the military police who had been involved in the incident, who admitted to having infiltrated the public to cause disputes, and stolen the information of 200,000 citizens for voter fraud. Wu Yi-ting, "'Zonghuofan' de gaobai 'Zhongli shijian de huo, shi wo dai qing qu fangde'", The Journalist, August 13, 2014.

³²⁰ Wakabayashi Masahiro, "Yeh rongzhong de 'shu shi' zhi zhi: Wannian shuxie huodong shilun", Institute of Taiwan History, Academia Sinica 17, no. 4 (July 2010): 81-112, DOI: 10.6354/THR.201007.0081. p. 107.

publications openly, you had to buy it at certain stalls where they would sneak it to you between others things, since the police would arrest you...If you went often, you would realize who was a supporter and who was a spy.

Supporters would go to every event and would become familiar faces, and if you ran into each you, you would say hi. Spies were military police, they had shaved heads, and they were mostly mainlanders. Because they took turns in shifts, the people they sent were always different, and you'd be able to tell them right away...³²¹

Although it's been close to forty years since 1970, in the process of conducting interviews of participants in the dangwai movement, their memories were usually quite vivid, and they were usually quite cheerful in relating past experiences. These experiences seemed to have a deep influence on them, and their recollection of the ties which existed under conditions of martial law is that they were quite strong.

3. In order to realize the strategic aim of the conflictive group beyond participating in local elections or organizing dangwai publications, the conflictive group became more explicit in its aims and more towards forming a political party. Because of martial law conditions at the time, there was no way to form a new party legally, so groups such as the Dangwai Central Reinforcement Association (黨外中央後援會), formed in 1983, and the Dangwai Official Employee Collective Policy Research Association (黨外公職人員公共政策研究會), formed in 1984, began as partly-public political groups formed as research associations, eventually leading to conflict with the party-state.

On September 28th, 1986, the Dangwai Central Reinforcement Association met at the Grand Hotel in Taipei, originally simply with the hopes of holding a year-end discussion between National Assembly members, members of the Legislative Yuan, and city councilors. However, Chu Kao-cheng unexpectedly proposed the declaration of a party at the meeting. This was met with approval by those assembled, leading to the formation of the Democratic Progressive Party.³²²

With the formation of the Democratic Progressive Party under conditions of martial law, the party quickly became the largest challenge to the strategic group. The decision was made to ban the party, but with such issues in the public spotlight for the first time, this would expose the "Free China" facade. Many members of the KMT believed that if this party were not banned and punitive measures taken, the KMT might lose power in the future. At the time, as the

³²¹ 2012 interview.

³²² Yang Zu-jun, "Shiba nian qian min jin dang chuang dang de ling yizhong jiyi neitian, zao he zhengfu xieyi hao", *The Journalist*, September 30, 2004.

Wu Cheng-hong, "Minzhu zhanjian zhugaozheng: Shiwuqianli de tizhi chongzhuang," *The News Lens*, n.d., <http://legislator.thenewslens.com/lesson-2-inner-02.html>.

highest political authority in Taiwan, President Chiang Ching-kuo declared that the party was to be forcibly disbanded, setting the tone for things to come.³²³

The not-yet-legal Democratic Progressive Party nonetheless won 12 seats in legislature and 11 seats in the National Assembly, while the KMT won 59 seats and 68 seats. Later, on July 1987, martial law was lifted for the first time in 38 years.

The formation of the DPP almost precipitated a breaking point of the party-state system. For conflictive groups, this was quite powerful —under the appropriate social conditions, a historical moment had been reached in which even if legal restrictions had not been removed, there was space created for activity. After the formation of the party in a partly-public form, this led to a counter-attack from strategic groups. Or one could say that it was in the interests of strategic groups to try and crack down on them. But strategic groups were forced to make concessions, and the political gatherings of workers forced more concessions to be made.

4. Judging from his later political career, Kang Ning-hsiang may have become a workers' representative in order to win a seat in the Taipei city council, only to later serve in the Legislative Yuan, National Unification Committee, National Assembly, Control Yuan, and as deputy Minister of National Defense, and general secretary of the National Defense Council. But apart from his connections with workers during his time as a labor representative, after taking appointments in the bureaucratic system, he later no longer had direct links with workers.

We can observe this phenomenon not only with regards to Kang Ning-hsiang. In the course of interviews, many interviewees referenced individuals who may have begun as representatives or managers of workers, that later left behind their direct ties to workers, after which labor affairs were no longer the basis for political participation by them.

Of course, we can begin from the legalities of the electoral system; on the one hand, workers did not constitute *all* of the conflictive group, and after opinion leaders of the conflictive group entered into the political system, they needed to consider the views of those elements of the conflictive group who were not workers. On the other hand, as also discussed in many interviews, it was important to obtain the support of the workers. But for opinion leaders, other issues would take precedent over labor issues, such as questions regarding Taiwan's position internationally and independence versus unification.

In the process of democratization in Taiwan in the 1970s and 1980s, the lifting of martial law was a step on the path toward normalization. At the same time, with the establishment of relations between China and America and the breaking of relations between America and Taiwan, the long-term isolation of Taiwan and the

³²³ Chou Hui-ching, "Lifting Martial Law and Opening-up Taiwan," *CommonWealth Magazine*, December 24, 2018, <https://medium.com/commonwealth-magazine/lifting-martial-law-and-opening-up-taiwan-a0965ccca511>.

beginnings of local consciousness were other important influences. This would later explode with regards to constitutional issues, with continuing effects up until today.

As such, under these conditions, labor issues were set aside. Workers in the conflictive group had to reconsider their paths for political participation, and were otherwise relegated to only serve as a basis for votes. In the next period of history, after the lifting of martial law, workers tried to form a party to directly politically participate in politics. This involving many new experiments in political participation, and splits in positions between the political left and right.

5. 1987 – 1996: The political participation of workers during Taiwan’s democratic transition

Taiwan’s democratic transition can be said to begin from around the time of the lifting of martial law in 1987. Lin Chia-lung defines the democratic transition as from 1986 to 1996, when Taiwan’s political system began to “liberalize,” “democratize,” a process which expanded to social democratization as a whole.³²⁴ Taiwanese society before this was highly controlled.

Many analyses of this period have focused on the political strategies of elites, believing that the key factors for Taiwan’s democratization can be best understood with regards to political elites, particularly in terms of the key figures of the ruling regime. With changes in the social circumstances, the successes of Taiwanese democratization are then seen as the products of their political strategies.³²⁵ Wu Nai-de believes that an understanding of Taiwan’s democratization should include an understanding of long-term historical experience and social structure, as well as the short-term processes of political development, and that only through this can one understand the process of democratization and its system.³²⁶

Workers can be seen as a social element. Pertaining to the democratization of Taiwanese society, of course it is the case that strategic groups and conflictive groups both had a mutually interactive influence and, after democratization, shared the sweet fruits of liberalization and democratization. But what if we focus on the democratization of society as a whole, with a focus on the political participation of workers, and the means by which such changes were brought about? For example, can we examine the effect, on the institutionalization of workers of the ban on political parties, in relation to liberalization and democratization? Perhaps the decentralization of liberalization and democratization was only a surface-level event and, in fact, furthered processes of centralization with regards to the problems faced by workers.

As such, for the multifaceted process of Taiwan’s democratization, this thesis chapter will emphasize the following key points regarding workers’ political participation.

1. The channels for workers’ political participation changed. The National Assembly and Legislative Yuan were lost as means of political representation, despite the lifting of the ban on political parties, and the active role of workers.
2. The changes in the internal social structure of Taiwanese society continued, with to the influence of economic development on industry, with racial and workers’ issues taking precedence.

³²⁴ Lin Chia-lung, *Jieshi Taiwan de minzhu hua: Zhengti leixing yu jingying de celue xuanze*, in *Liangan dangguo tizhi yu minzhu fazhan: Hafo daxue dongxi fang xuezhe de duihua* (Angle Publisher, 1999), 87-152. p. 118.

³²⁵ *Ibid.*, p. 119

³²⁶ Wu Nai-de, *Souxin minzhu hua de dongli jian tan minzhu zhuanxing de yanjiu quxiang*, *Taiwan shehui yanjiu* 2, no. 1 (July 1989): 145-61. p. 156.

3. External factors included internationalization, attempts to break out of Taiwan's international isolation and push for political openness.

5.1. The paths of political participation, economic structure, and social changes

5.1.1. The paths of political participation and new regulation

After the lifting of martial law in 1987, the Constitution was amended for the first time in 1991. The National Assembly was abolished, as well as were the occupational constituencies (including for workers' groups). But other seats reserved for various constituencies, such as seats for indigenous, overseas Chinese, and women, were retained.

Chart 5.1. : Changes in the ROC Constitution over time

	Time of announcement	Relevant changes to clauses pertaining to the National Assembly	Relevant changes to clauses pertaining to the legislature
Original Constitution	1947/1/1	Article 26: Regular seats and reserved seats for constituencies including representatives for Mongolia, Tibet, outlying ethnic groups, overseas Chinese, occupational representatives, women's representatives	Article 64: Regular seats and reserved seats for constituencies
First amendment of the Constitution, announcement of a new article 10	1991/5/1	Article 1: Removal of Mongolian representatives, Tibetan representatives, representatives of outlying ethnicities, and occupational representatives, but retention of seats reserved for indigenous representatives, overseas Chinese, and women.	Article 2: Removal of Mongolian representatives, Tibetan representatives, representatives of outlying ethnicities, and occupational representatives, but retention of seats reserved for indigenous representatives, overseas Chinese, and women
Second revision of the Constitution, expansion of articles 11 through 18	1992/5/28	Expansion of article 11, stating that from the third National Assembly, elections would be held every four years	
Third amendment of the	1994/8/1	Article 1: The number of seats is reliant on the size of the population of an	Article 3: The number of seats is reliant on the size of the population of an

Constitution, announcement of a new article 10		administrative area, in addition to seats reserved for indigenous, overseas Chinese, and women	administrative area, in addition to seats reserved for indigenous, overseas Chinese, and women
Fourth amendment of the Constitution, announcement of a new article 11	1997/7/1	Article 1: The number of seats is reliant on the size of the population of an administrative area, in addition to seats reserved for indigenous, overseas Chinese, and women	Article 4: A set total of 225 seats, with seats reserved for indigenous, overseas Chinese, and women
Fifth amendment of the Constitution, with amendments of articles 1, 4, 9, and 10	1999/9/15	Article 1: The number of seats is set at 300 seats from the fourth National Assembly and at 150 seats for the fifth assembly, and in addition to seats reserved for indigenous, overseas Chinese, and women	Article 4: The fourth and fifth terms of office are set
Sixth amendment of the Constitution, with the announcement of a new article 11	2000/4/25	Article 1: The proportional representation consists of 300 seats, with a three term limit, with no seats stipulated as reserved for indigenous, overseas Chinese, and women.	Article 4: Seats set at 225 seats, with seats reserved for indigenous, overseas Chinese, and women
Seventh amendment of the Constitution, with the amendment of article 1, 2, 4, 5, and 8, and the expansion of article 12	2005/6/10	Article 1, with the amendment in the Constitution to abolish the National Assembly and National Assembly elections	Article 4: Stipulation of the seats in the legislature at 113 seats, with seats reserved for indigenous, overseas Chinese, and women, and the legislature assuming the responsibility of amending the Constitution

Source: As organized by the author

Though in the previous government system that existed before, workers could originally have collective occupational representation in the National Assembly and legislature, this was removed after seven amendments to the ROC Constitution. At the level of central representation, there was the possibility of direct political participation for workers. With a total of 487 seats in the National

Assembly, occupational representation was 13.4% of total representation in the National Assembly. Of the 89 seats on the legislature, this occupied 11.5%.³²⁷

This path for political participation existed in the first amendment of the Constitution, with also assured seats for representation for Mongolia, Tibet, and outlying ethnicities. These were removed all at once. In analyzing the reasons why they were removed, it was because these represented ethnic categories, but after moving to Taiwan, the Chinese KMT government did not have de facto rule over Mongolia, Tibet, and outlying areas, and so dissolving these seats were acceptable. And the reason why reserved seats for occupational constituencies and for indigenous, overseas Chinese, and women were preserved was because this reflected the characteristics of the existent society, and so they had weak economic and political possibilities.

But individual labor groups also had their constituency seats dissolved. Why were the seats of only occupational organizations dissolved? On the level of such occupational constituency seats, these occupied 10% of representation. Why is it that they had no way to prevent being dissolved? There are two questions to consider in clarifying this answer. With regards to the blocked paths for occupational groups, in this stage of democratization, this possibility for workers' participation was rigidly cut down.

In the ROC Constitution after amendment, the special social weakness of labor in society was overlooked, and they were relegated to the same status as other voters, and they had to fight it out in the terrain of electoral voting. In terms of the end results, workers' matters and specialized representatives to attend to these matters could no longer be retained. In term of local representation, they had to also attend to non-labor matters, and in terms of proportional representation they had to attend to party matters.

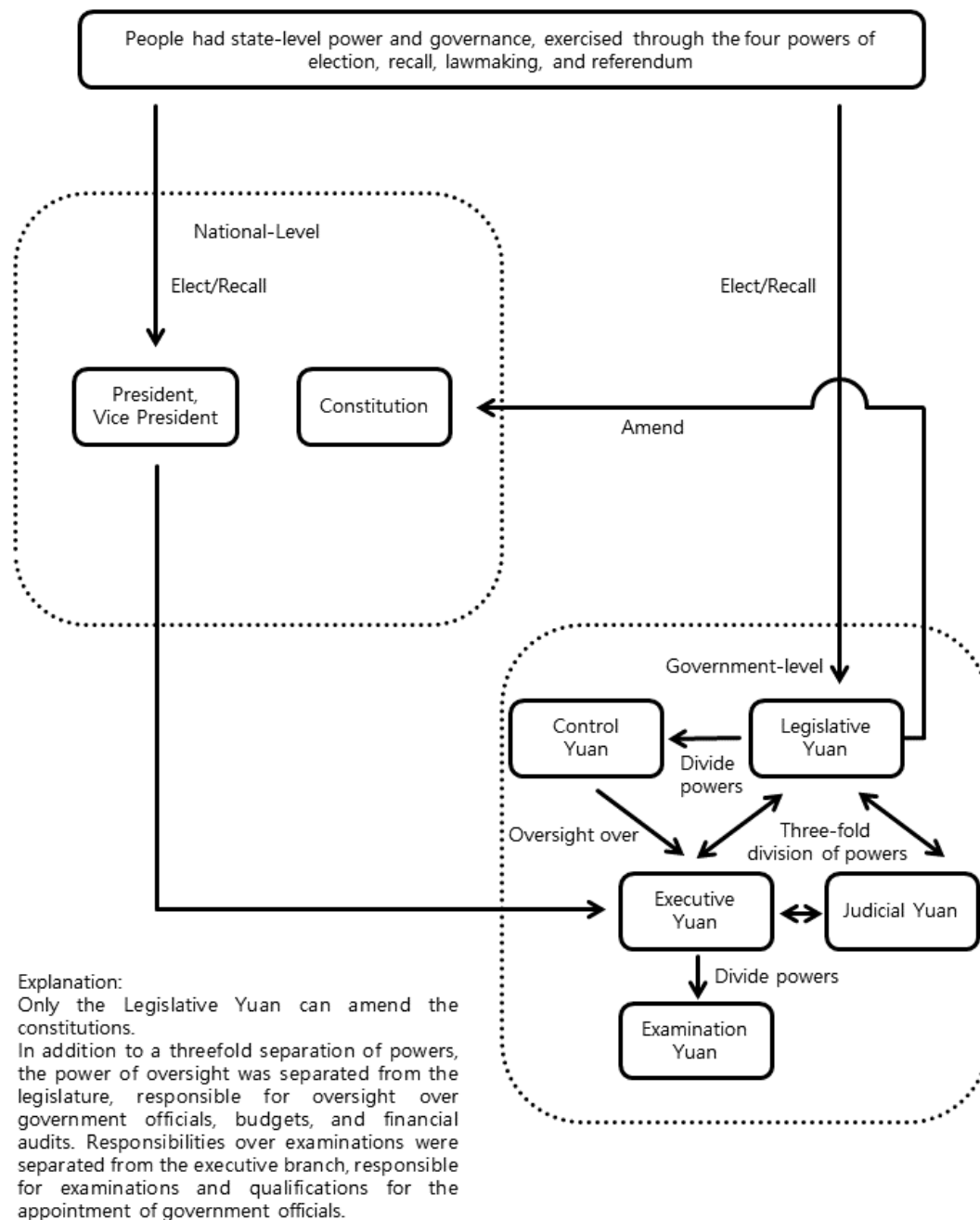
The ROC Constitution after the amendment of the political system can be seen in the picture below:

Figure 5.1. : Structure of the central government in the ROC Constitution after amendment³²⁸

³²⁷ See section 4.2.2 in chapter 4

³²⁸ This article discusses the period between 1988 and 1996, but elected representative seats for occupational groups were only removed in 1991, with the amending of the Constitution. This did not come up again in subsequent revisions of the Constitution, with the redrawing of constitutional mapping

After 2005: ROC Constitution and Central Government Framework



Source: Made by the author.

Apart from the changes to representation in the political system, there is another matter. After the formation of the Department of Labor under the Ministry of the Interior on March 21st, 1949, this was upgraded to the Executive Yuan's Labor Committee on August 1st, 1987, and the administrative system for labor was reorganized. One can understand this development as Taiwanese society coming to see labor as increasingly important. One can also understand this was the result of interactions between politics and economic policy, with the realization that the

resolution of labor issues couldn't be left to the Ministry of the Interior, and that administration of labor should have a wider scope of power in the administrative bureaucracy. The other is that from the level of social embeddedness, we can explain this shift as aimed at intensifying the regulatory influences on labor.

The upgrade from a "bureau" to a "working committee", of course, increases the number of bureaucratic personnel overseeing labor-related matters. However, if the increase in the number of personnel is subject to the same ethnic restrictions as previously discussed, i.e. controlled by mainlanders, these additional bureaucratic personnel would be subject to the same ethnic split, leading us to a point worth pondering. What is the difference between a "bureau" and a "working" committee from the standpoint of the central government? The number of personnel in a bureau is set by the government, and the number of personnel cannot be arbitrarily added to or removed at will. Apart from regular administrative staff, there would have to be internal auditing institutions. There would also have to be transfer of labor insurance accounts from 1950, with the new tighter measures for labor.

5.1.2. The economy as an external force for the reconstruction of social structure

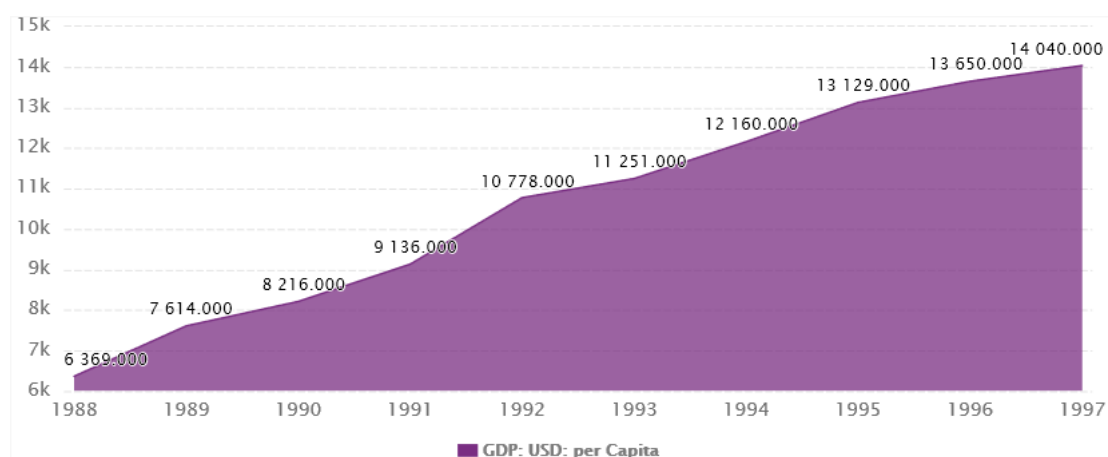
From the time of Japanese colonization, in which Taiwan was ruled by the Japanese governor-general, to the Chinese KMT government's dictatorial rule during the martial law period, there has persisted authoritarian government measures in the Taiwanese political system. But this political system of governance that lasted for nearly a century was for the sake of economic benefit. Indeed, authoritarianism is a system of government with a definite economic model of productivity, with political and economic relations drawing out competitiveness and avoiding the price fluctuations which take place under the free market.

On the other hand, among Americans, waisheng, and Taiwanese, with the resultant supply chain system, labor-economic relations and economic distribution, this led to a certain level of social stability. This is where Taiwan differs from other countries that were part of the third wave of democratization, in which economic development caused political liberalization. In Taiwan, on the contrary, centralized political power led to economic liberalization, with democratization following in a three stage process.

Regarding the five year plan of "One year of preparation, attacking in the second year, clearing out the Communists in the third year, and succeeding in five years," this reflects that the economic social structure in Taiwan was geared toward promoting industrial productivity. With external resources from U.S. AID, the international outlook of the Korean War, the dominant paradigm of the Cold War, and the geopolitical encapsulation of the island, this led Taiwan to social stability, as aided by its innate geography. Industry imported raw materials, which were exported as finished products and shipped to Japan, Korea. As such, Taiwan became the first choice for America to set up factories in Asia. These external

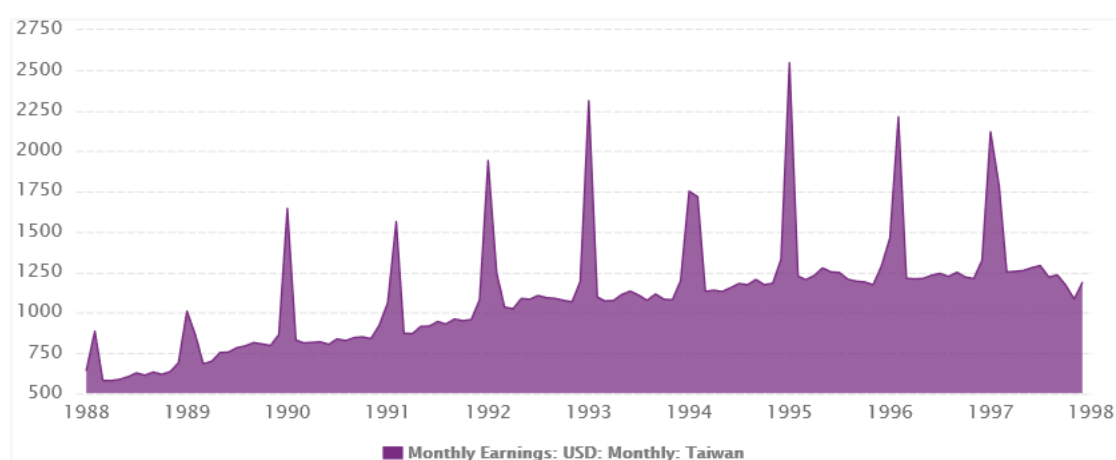
factors composed the integrated operations of an industrial production system. According to data, as shown in Chart 5.2, from 1988 to 1997, the average per capita productivity of Taiwanese increased from 6,369 dollars to 14,040 dollars, and in terms of average salary, as seen in Chart 5.3, from 1988 this increased from 644 dollars to 1,205 dollars.

Chart 5.2. : Average per capita productivity from 1988 to 1997



Source: Data from the ROC Executive Yuan, Department of Accounting, drawn based on CEIC Data

Chart 5.3. : Average salary from 1988 to 1997

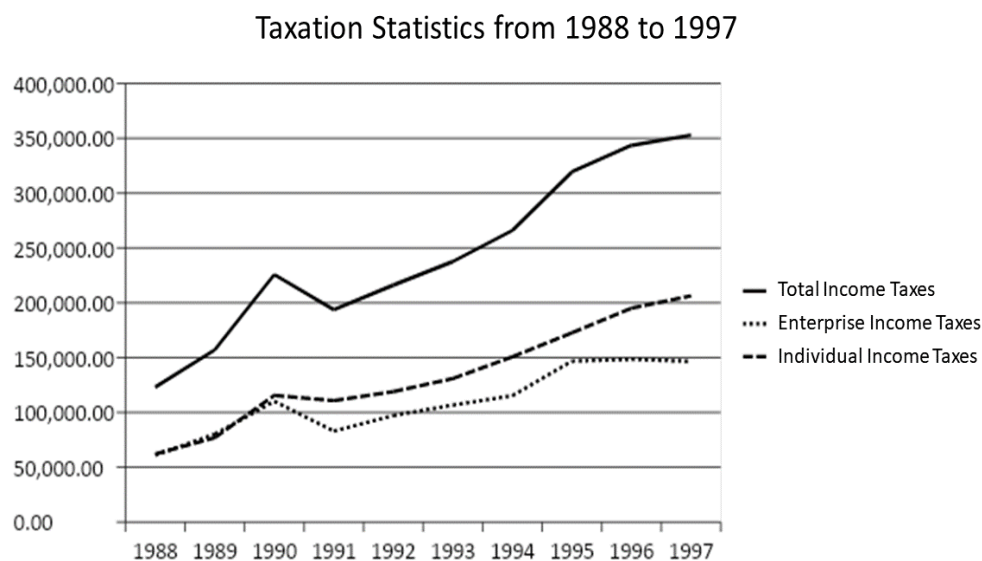


Source: Data from the ROC Executive Yuan, Department of Accounting, drawn based on CEIC Data

Chart 5.3: There are peaks in each month of each year because in Taiwanese society, employers will distribute year-end bonuses from the industrial dividend based on the performance of the worker, with year-end bonuses ranging from 1.5 months to 12 months depending on the industry, leading to the appearances of these peaks.

This growth is also reflected in national taxation. Using income tax as an example, as shown in Chart 5.4, 123.122 billion NTD was the total income tax in 1988, while by 1998, this had grown to 398.390 billion an increase of 2.2 times.

Chart 5.4. : Income tax statistics from 1988 to 1997

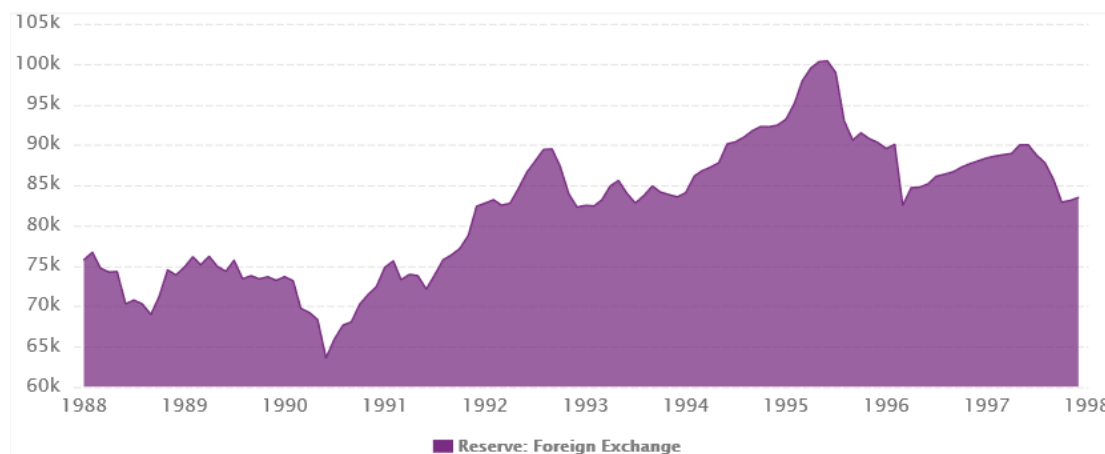


Source: Organized by the author, data from the ROC Executive Yuan, Department of Accounting,

In Chart 5.4, it is observable that after 1991, in terms of income tax, the original average apportioned corporate income tax and comprehensive income tax began to differ in proportion. Income tax is constituted mostly of those who were employed and in terms of population, of course, the majority of them were workers, and the rest were members of the managerial class. After 1991, comprehensive tax income for the government continued to grow, with the share from profit-seeking industries either declining or staying the same. Otherwise Taiwan's integrated GDP could not grow, leading to a corresponding decline in Taiwan's income tax from profit-seeking industries. This became an important analytic point for strategic groups, which is why with the increase in GDP, there was a decline in corporate tax.

Apart from the proportion of government income from income tax continuing to grow because the growth in the economy led to different administrative expenses, testing fees, and enterprise planning fees, this also led to a substantial increase in income. For example, this can be seen in stamp duties, gasoline taxes for cars, and vehicle registration fees. In addition, domestically in Taiwan, state-run or party run enterprises were also growing, with a certain amount of legal surplus paid. These resources were paid to the government, and after expenses were deducted by the government or to pay legal debts, the remainder reflects the increase in Taiwan's foreign currency reserves. As seen in Chart 5.5, Taiwan's foreign currency reserves was 75.796 billion USD in 1988, but by 1997, this had grown to 83.502 billion USD. By June, this had fallen to 63.631 billion USD. However, it bounced back by 1995, to 100.412 billion USD, leading Taiwan to currently have the fifth largest foreign currency reserves in the world.

Chart 5.5. : Taiwan's foreign currency reserves from 1988 to 1997



Source: Central Bank of the Republic of China, organized from CEIC Data

As seen in the above statistics, during this period of time, political shifts in Taiwan did not lead to a negative effect on Taiwan's economic development. Much research has focused on the fact that Taiwanese enterprise owners and workers jointly created economic growth. The average economic growth rate of Taiwan is an internationally recognized achievement, with the view that industrial relations reflected workers in harmony with their employers. But if one analyzes why during this period of time, industrial relations did not seem to be affected by political changes, this requires deep investigation, revealing that it was not simply that government economic policy led to harmonious relations between labor and capital, but that it was economic causes which led to shifts in society at the time.

In terms of government taxation, with the increase in national income, this led private and public sector enterprises to become full of floating capital with nowhere to go, so a government lottery was instituted. Politically, this prosperity can be said to have begun with the lifting of martial law in 1987, but state-organized speculation can be said to have begun in 1950 with the introduction of the "Patriotic Lottery³²⁹" (愛國獎券). The Patriotic Lottery originally began as a way for the KMT to raise funds, as a substitute for government bonds, with the selling price going from 5 NTD to 10 NTD, 20 NTD, 50 NTD, and later on, 100 NTD. The prize started from 200,000 NTD, equivalent to what the price of a building in downtown Taipei was. By 1982, this had increased to 10 million NTD.

Originally, lottery drawing took place once a month, which later became as frequent as three times a month. When the winners were announced, this was broadcast live on television in order to ensure transparency, and people would check to see if they had won. Even during the martial law period, people sought to become wealthy overnight.

³²⁹ History of the Patriotic Lottery, Ministry of Finance Historical Display Room.

Apart from the Patriotic Lotto being distributed by the government, underground economic markets were also set up based on the Patriotic Lottery, the best known example termed the “Everyone Lottery” (大家樂). The money spent gambling on this surpassed the Patriotic Lottery. This even led to the kidnapping of the artist responsible for the design of the lottery in 1985, and the kidnapping of the son of the section chief of the Bank of Taiwan responsible for the lottery section in 1987, the criminal not requesting ransom money but, to everyone’s surprise, the winning lottery numbers. In 1987, the government stopped the Patriotic Lottery, using this a pretext to stop the gambling craze in Taiwanese society.

When the winners of the patriotic lottery were announced, everyone scrambled to the television to find a place to watch. Of course, it was because some people bought Patriotic Lottery tickets, but more had bought “Everyone Lottery” tickets, on which you didn’t have to pay tax, unlike the Patriotic Lottery, and in which you would also be unable to purchase all numbers. You could also pick your own numbers and the prizes were expected to be higher.

So many people wouldn’t go to work on the day of the announcement...actually many people would stop working the day before. They would go to temples or tombs to pray for good luck...If the day after the lottery was announced, someone didn’t go to work, that meant that they had won and were going to live it up...Of course, this would affect work. The foreman would jump around in anger. If money came in, it was gone quickly too. Even if some people won a big prize they might spend it all or spend it gradually, and then have to return to work.³³⁰

After the Patriotic Lottery was stopped, the Chinese KMT also tried to stop the unhealthy trend of the Everyone Lottery. Although this may have appeared as though this was for the good of society, a more comprehensive explanation may be that these kind of self-organized economic activities led to holes in the underground economy. In other words, compared to other outflows of floating capital, there was the hope to redirect this to official channels of investment, to enlarge financial planning, the best way of which was investing in the stock market.

In analyzing the opening up of the Taiwanese stock market in this way, the political shifts during this period can be integrated. We can also understand how the stock market was opened up during this period of time. In addition to redirecting the accumulated economic productivity, on the other hand, this eased some of the political tensions, with the people not focusing the entirety of their efforts on political shifts. In truth, those who set into motion political changes were those without political power, which is to say conflictive group members who had long questioned the rationality and political legitimacy of the KMT.

What is even more significant is that in terms of industrial relations, the divide between workers and capitalists —the line dividing workers from capitalists in terms of social stratification —became less clear. Taiwan’s economy originally depended on small to medium-sized enterprises, leading many workers to think

³³⁰ 2012 interview

that they would not always be members of the working class for the entirety of their lives, and thinking that they were only currently workers for the sake of improving their skills, developing a business model, and personal connections. After accumulating enough capital, they assumed that they could transition to owning a small to medium-sized enterprise, as a way to advance to the capitalist class after accumulating enough capital. In Taiwan, the phenomenon of gangsters becoming business owners is common, because once enough capital is accumulated, this is used to invest in businesses, with floating capital becoming a plan for financial investment, rather than simply depending on slow accumulation.³³¹

In understanding this economic background, we can understand what is visible in Chart 5.6, regarding how the Taiwanese stock market was not affected by political shifts in Taiwan during this period of time. It's not that politics led to economic growth in Taiwan during this time. On the contrary, Taiwan's economic growth led to an environment in which political changes could take place. Otherwise, if the trends of the stock market, and the historical incidents in the political system were matched up, with regards to the Zhongli Incident, the death of Chiang Ching-Kuo on January 13th, 1988, Lee Teng-Hui succeeding him as president, can this be matched up with growth in the stock market?

The stock market saw a historical high point on February 12th, 1990 and then declined after.³³² The Wild Lily Movement began in March. The stock market fell to 2573.75 points before rising again. In May 1991, the Constitution began to be amended, revealing that —though they might not have had a strong mutually interactive cause-and-effect relations —the fluctuations of the stock market were not a product of the political system. Rather, these transitions took place as independent transformations, so we should discuss the fluctuations in the stock market from the standpoint of social factors, interference of social systems, or embedded phenomena. This should not be seen as the result of changes led by the political system, as if they were not also the product of embedded social factors. The changes in the political system could not direct floating capital into the stock market, or lead to growth in the stock market.

To understand the mutually embedded relationship between the stock market and social developments, the Taiwanese stock market began with 2,341 points when it first opened for trading in 1988, and had increased to 8,187 points in 1997. This was an increase of four times over ten years. By June 19th, 1989, the Taiwanese stock market surpassed 10,000 points, reaching 10,013 points. With the rise in value of the NTD, an influx of foreign capital, and a rise in the finance and property

³³¹ GS Hsieh, *Chun laodong: Taiwan laodong tizhi zhu lun* (Academia Sinica, Institute of Sociology, Preparatory Department, 1997).

³³² Between March 16th and March 22nd, more than 6,000 students gathered in the Chiang Kai-she Memorial to protest the "10,000 Year National Assembly" and hold a sit-in. (See footnote 67). Their key demands were to dissolve the National Assembly, to open up the National Assembly, to lift the Temporary Provisions against the Communist Rebellion, and to provide a timeline for political and economic reforms. This was the first-time that a large-scale student movement broke out against the KMT and, afterward, the president called for a meeting of the National Assembly to implement reforms. Many student activists from this period continue to be active in Taiwanese politics.

market, this reached a historical height by February 12th, 1990, of 12,682 points. Within the short two years it required to rise to 12,683 points, the first amendment of the Constitution was announced on May 1st, 1991.

This attracted so much attention that news of developments that political groups cared about —such as negative effects of the amendment to the Constitution — were occluded by reports in the news everyday of changes in the stock market. With the lifting of martial law on July 15th, 1987, by October, many investors had already begun to go to the Legislative Yuan to protest and give an account of their grievances, believing that the government was interfering in finance through intervention, leading to a decline in stock prices.

Chart 5.6. : Weighted stock prices in Taiwan from 1988 to 1997



Source: Organized by the author, data from the Taiwan Stock Exchange

Rising from 2,341 points in 1988 to 12,682 points in 1991 was just over two years, i.e. the results of Taiwanese economic development led to six fold increase, and during this period of time, it was expected that Taiwan would see continued liberalization. Thirty years of social productivity combined with the individual pursuit of fortune, and after passing through the Patriotic Lottery and the Everybody Lottery, floating capital found an outlet.

According to statistics at the time, stock market transactions became so active in 1988 that there were over 600,000 accounts, which became over 5 million by 1990. At the time, the Taiwanese population was around 20 million, meaning that one in four people were stock investors. Those between 15 and 65 were 13.383 million individuals, and so 37.4% of them were engaged in buying and selling stocks.³³³ As the number of households in Taiwan was 5,100,000 households total, this meant that there was a stock investor in nearly every household. Compared to the mature stock markets of other countries, the Taiwanese stock market was not conducted through funds or managers, but through individual investment. As such,

³³³ Yu Zongxian and Wang Jinli, *Taiwan paomo jingji* (Linking Publishing, 1999), p.132.

stock speculation became a national activity, with college students skipping classes, teachers using radios to listen to news of stocks during class, or housewives carrying vegetables to the stock market, and some offices only resuming normal work after the stock market closed at noon.

The monthly rate of return on stocks was 8.5%, not unlike the rate of return of gambling. Anyone could arbitrarily pick a stock in the hopes of earning their money back and many stocks could result in a return of ten times the original value. When the stock market rose, securities companies and investors would celebrate and this would become news, with the view that one could become rich overnight through investing in the stock market.

As such, the prevailing view became that there was no issue in borrowing money to invest in stocks, leading to the growth of a large underground banking industry. Apart from silverware stores, underground money farms, small groups would form private loan associations, as an important underground finance network.³³⁴ This underground banking network became a force that led to the livelihood of the finance market. The monthly salary system would allow one to personally participate in the economic stock market, but through personal investment with high rates of interest, one could establish links with the economic market, leading one to think that one was higher than one's actual socioeconomic status.

5.1.3. The Dilemma of Workers and Capitalists' Identities

With this kind of social environment, the class relations between workers and capitalists became unclear, with the biggest difference between the two beings different lifestyle needs. Capitalists depended on investment in order to accumulate capital, while employees and other laborers sold their labor on the market. The Patriotic Lottery was sold in large quantities, reflecting that there was sufficient floating capital in Taiwanese society. Stock market investment, capital, price-to-earnings ratio, the daily upper limit on the price of a stock, the daily lower limit on the price of a stock, the increase in prices after hitting a market, net worth, financing, margin calls, buybacks, increases in quota, buying short, buying long, bullishness, bearishness, and other specialized functions of corporate enterprises became a fad for the country as a whole, with even workers understanding the meaning of these terms.

Apart from dreams of winning it big through participating in the stock market, Taiwanese workers hoped that through the stock market, they would be able to rise to the level of capitalists. They hoped to become the shareholders of large-scale enterprises. But the stock market became a tool for domesticating Taiwanese

³³⁴ Private loan associations were a form of private borrowing. There would be a head of the association and the association would have members. There would be a meeting every month, with the head collecting the membership dues of all of the members. After that, the dues from every week would be paid to the highest bidder and the winning bidder then repays the other members with interest each month.

Private loan associations were a way to quickly obtain funds for those in need of it, using personal relations and operating outside of the banking system, even using different rates of interest for financial leverage. For those that provided the capital, the profits were higher than banking or financial institutions. Repayment took place every month due to dues being paid and that this corresponded to habit in terms of expenditures. This was quite suited for company employers or soldiers, public servants, and teachers.

workers during this period, with an element of social embeddedness. This occluded the extreme polarity of workers and capitalists, as well as the conflict between both sides. This occlusion of the class conflict between the two sides became the conditions for bypassing the four kinds of alienation described by Marx, with workers' instead identifying with capitalists and using a capitalist identity to define their actions, to pursue dreams of being promoted to higher positions according to a capitalist imagination. They did not identify with the class consciousness described by Marx, rather preferring to lose their original class identity.

When the government realized that the stock market had become sufficiently overheated that this could lead to a financial and economic crisis, it began to use financial policies to influence the stock market, beginning with a series of "stock market normalization" policies in 1990. Those who were unable to sell their stocks in time to become rich overnight might go bankrupt in a night.

Although it was clearly reasonable to try and cool down an overheated market, the desire of stock investors to get rich overnight continued and, as can be seen from the data, stock investing had already become a national activity. However, as with the end of the sales of the Patriotic Lotto, once society became used to this model of investment, the stock market proved insufficient to satisfy the desire to speculate. As a result, capital would seek a new outlet as a target for investment.

Indeed, during this time, capital fervently sought a new target for investment, reflecting a crucial characteristic regarding Taiwanese society. The economic system was already exceeding the control of the political system, and the political system could not completely control the economic system. The political system continued the antecedents of the preceding Japanese colonial period, with the KMT government retaining the political and economic integration of the period, and the political system being stable. From this period, it was already the economic system leading the political system, and non-political systems led the course of economic development. How the political system and the economic system could co-exist, and how the two could mutually influence the embeddedness of Taiwanese society, is something worth noting subsequently for social development.

Consequently, financial policy began to affect the market. On February 10th, 1990, stock prices dropped from 12,495 points to 2,485 points, falling as fast as stock prices had increased, and shocking the public. Speculation on Taiwan's housing market in this period then followed on the stock market, as the outlet for floating capital. But different from previous means of investing floating capital, the government intervened more closely in the housing market. On the one hand, price values for real estate did not increase or drop as suddenly as with the stock market. On the other hand, for capitalist Taiwanese society, land was seen personal property, and apart from continuing traditional agricultural dependence

on the land this became a means for encouraging floating capital to enter modern investment, revitalizing industrial development.³³⁵

Another way of understanding the craze of speculation on the stock market between 1988 and 1990 is with regards to the large-scale entrance of state-run and party-run enterprises to the stock market at the time.³³⁶ But the Chinese KMT was unable to obtain interest from this. On the contrary, the largest owner of land in Taiwan was the government and the party, because if we look at it systematically, apart from fulfilling the desire that the people had for land, outflows of floating capital could only return to the hands of the government. Banking system was opened to mortgages. In other words, that land only served as a target for speculation had a substantive impact on the government, and only in this way could we understand the government's policies toward investment, and how it was subject to the influence of policy.

Under these social conditions, from 1990 onward, the Taiwanese real estate market became the largest object of speculation for regular people and industry. The price of real estate was not linked to salaries in Taiwanese society, but became linked to the social embeddedness of Taiwanese society. Through real estate, the lives of workers became burdened with a large amount of debt, and mortgage became a way of providing for floating capital, as well as a key social factor for the growth of the engineering, construction, and financial sectors.

Zhang Jin-e and Fan Chui-lu have researched the changes in real estate prices during this period, analyzing the data of 29,225 transactions, and analyzing the key factors that affected the Taiwanese real estate market.³³⁷ The findings of their research is that the effects of a prosperous economy on the housing market are not as high as one would expect. On the contrary, the location of real estate and the type of use for it were the key factors that affected the price of real estate. If a piece of real estate was located on a first floor and could be used for commercial activities, whether these are preowned houses or presold houses, these would all have the tendency to fluctuate in price or to fall in price. This reveals that the real estate market was already an important target of investment, that even if a house was purchased just to live in, it might later on become used for commercial activities, with the hope that if one wants to unload the property, one might at least profit from the location.

This explains why the price of presold houses and preowned structures does not differ as much on the Taiwanese real estate market as with other countries. The specificity of the Taiwanese real estate market represents that investment on the basis of investment potential far outstrips depreciation. To put it in other words, the price of Taiwanese real estate increases because of speculation, with

³³⁵ For agricultural societies, the belief that "land is wealth" represents how land fulfills human needs in providing interest after putting in labor, provided residences, tombs, ancestral halls, temples, and that it was relied on for other needs.

³³⁶ Although the Executive Yuan established an Executive Yuan Government-run Enterprise Privatization Promotion Working Group in July 1989, the privatization of the China Property Risk Company only began in May 1994.

³³⁷ Chin-Oh Chang and Steven C. L. Farr, "A Study of Real Estate Transaction Price," *Journal of Housing Studies*, no. 1 (January 1993): 75-97, DOI: [10.6375/JHS.199301.0075](https://doi.org/10.6375/JHS.199301.0075).

investment expected to make the construction materials, the cost of the house, or the depreciation after use to be unimportant, becoming a form of behavior that leads to the increase in prices like the Taiwanese stock market.

As seen in information released by the Ministry of the Interior, between 1986 and 1993, publicized real estate prices had increased by 730%. In terms of Taiwanese housing prices, on average in 1986, this was 6.72 million NT, which had become 36.870 million by 1990, an increase of 448.7%.³³⁸ As such, we can point to three important characteristics of the Taiwanese real estate market. 1. With the rise in real estate prices, individuals who owned non-agricultural land became very wealthy 2. Empty houses occupied 13% of the housing market, revealing that many houses were not purchased for personal use, but for investment. 3. Housing prices for large buildings were higher compared to smaller structures, revealing the tendency for wealth to accumulate in the hands of a small amount of individuals.³³⁹ The results of the craze of real estate speculation, on the one hand, confirms the reality of real estate speculation and, on the other hand, up to now, local governments and representatives, place great political weight on the release of public land and redrawing land divisions.

As with the Patriotic Lottery and Everyone Lottery, as well as with the real estate market, there was a marked difference between the northern capital Taipei and Taiwanese society in the south. But there were different causes for speculation in northern and southern Taiwan. As was widely known among the people, northern Taiwan was centered on politics and economics, while the south was focused on agriculture and industry. As such, when floating capital began to enter the real estate market, although real estate prices in both the north and south was on the rise, looking at the reasons for the increase in prices, one finds that the real estate market was deeply involved with changes in social structure, which was different between northern and southern Taiwan. We might also ponder the role played by the state here.

As northern Taiwan was a center for politics, commercial trade, and education, for the educational system, traditionally speaking, schools for the talented were placed in northern Taiwan. As such, many Taiwanese young people chose to study in northern Taiwan, on the one hand because this was thought to represent a higher educational standard, which also led to advantages on the job market. On the other hand, there were more white collar jobs in northern Taiwan, with higher social prestige and salaries.

Consequently, those that went to college in central or southern Taiwan had to rent houses they did not own when they graduated college and entered the northern job market. If their work was stable, they would have to seek housing appropriate to their economic capacity in renting houses. But under this social structure, almost all areas that could be developed in the north were for commercial and residential needs. This led the price of real estate to increase in northern Taiwan.

³³⁸ Yu Zongxian and Wang Jinli, *Taiwan paomo jingji*, p. 73.

³³⁹ *Ibid.*, p. 75.

This became a source of economic pressure for those seeking houses to rent, leading them to have expectations for equity funds. In the process of purchasing or renting houses, this also led them to take out high loans, and high real estate prices became another pressure that they had to endure. Salary became a hard-to-escape factor in determining social embeddedness. But at the same time, with the rise in real estate prices, those who took out loans found that real estate prices always increased beyond their salaries, and real estate did not only serve the needs of the individual or family, but became an important investment option.

Because the rate of interest far surpassed other industries, whether from the perspective of companies or conglomerates, real estate could also serve as a second source of income or a base of income for those getting older. Apartments with shared kitchens and bathrooms,³⁴⁰ suites,³⁴¹ “second pregnancies,”³⁴² sublandlords,³⁴³ and “maintaining the land,”³⁴⁴ became special social phenomena in northern Taiwan. With this situation, as with “small shareholders,” the waged class of workers became “small landlords” and saw themselves as small capitalists, and the rise in real estate prices became an issue that they did not concern themselves with, even if they had to take out large loans for the sake of purchasing real estate.

Compared to the north, in which the majority of real estate was used for commercial or residential use, much land in central and southern Taiwan was used for industrial or agricultural purposes. In terms of land policy in Taiwan, agricultural or industrial-use land cannot be converted into housing unless the land is rezoned. As such, links between local political representatives and conglomerates have become used to influence land zoning policy. Land is bought from farmers. And if farmers aren’t willing to sell their land, then government power is used to appropriate their land for development, an issue commonly encountered by rural residents of Taiwan.

When we bought that piece of land, we spent 90,000 NT, and we used it to plant rice. Later on, they asked us if we would sell it to them for 1,200,000 NT, an increase of over twelve times...Later on they built houses, they built ten buildings. Each building sold for 3,600,000 NT

³⁴⁰ Although the Executive Yuan established an Executive Yuan Government-run Enterprise Privatization Promotion Working Group in July 1989, the privatization of the China Property Risk Company only began in May 1994.

³⁴¹ What this means is, when an average apartment builds a separate entrance and exit, with no kitchen, and no bathroom, this is usually a five square meter room. Legally speaking, this is not a house with an address, and there is no way to apply for household registration. The majority of those who rent such spaces are students or low-paid workers.

³⁴² When property is put up for mortgage through a financial institution, there are two legal ways of doing things, either putting what is mortgaged onto the real estate market or investing it on the market.

³⁴³ After a property is rented or subletted, this may result in a property having three or four landlords.

³⁴⁴ Some construction companies will purchase properties but sit on them without constructing anything, waiting for real estate property prices to rise before beginning construction.

...We had to sell. If we didn't, they would plan the road so it ran through our property. Half of the land would be gone, the remaining land would be unable to be used to grow anything. Because the [irrigation channel] was gone...³⁴⁵

Workers could observe that the government's use of public land was manipulated by conglomerates and that real estate prices were different depending on whether they owned a piece of land or whether a conglomerate did. Farmers were thought of as less educated, and less able to think critically. But they were most deeply influenced by politics in their lives, which may be a reason as to why central and southern voters supported conflictive groups. This was because they were searching for the means to protest strategic groups —not necessarily for the sake of political ideals but with the hopes of entering the political system, to establish a new political structure.

As such, land and capital, through economic transformations, obtained a substantive link with the social structure of laborers. With regards to how workers could as economic disprivileged individuals come to an understanding of their own condition and organize? The Patriotic Lotto, the Everyone Lotto, the stock market, and the real estate market were all forms of speculative activity. For Taiwanese society these weren't triggering factors for economic investment or channels for them. However, they changed workers and their activities, in terms of consciousness.

5.1.4. Decrease in labor power and foreign labor

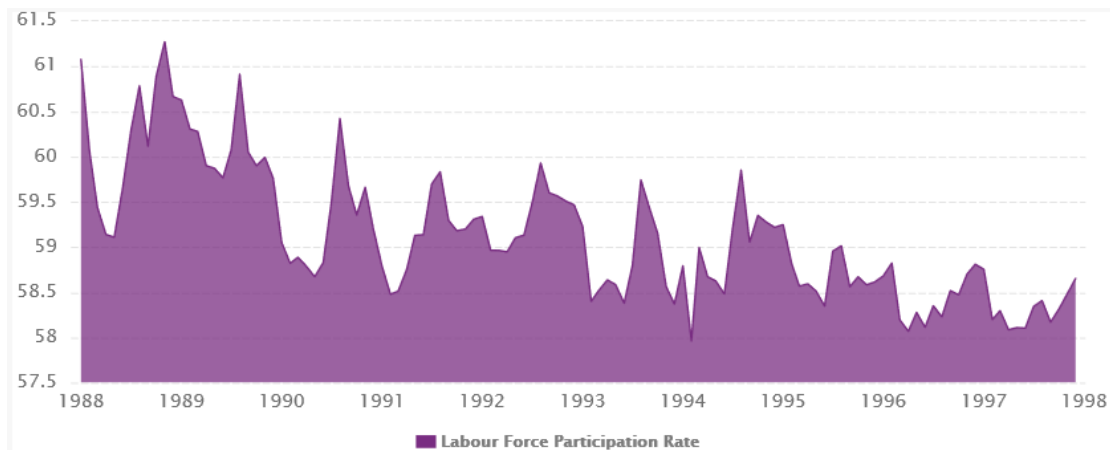
As we can observe in Chart 5.7, there was an increase in the labor participation rate during the authoritarian era.³⁴⁶ Despite the steady rise in salaries and economic development, at the same time, the labor participation rate began to decline. This declined from 61.08% in 1988 to 58.12% in 1998, reflecting that more and more citizens withdrew from the labor market, not surviving off of the original social model of selling their labor on the free market.³⁴⁷ Or we can say that with the rise in salaries on the labor market, this extra income was not reinvested in the labor market, because the profitability of other ways of doing business may be much higher than the exchange value of the labor market.

Chart 5.7. : Labor participation rate, 1988 - 1997

³⁴⁵ 2012 Interview

³⁴⁶ See Chart 4.9. in Chapter 4, Labor Participation Rates, 1978-1987

³⁴⁷ See Chart 5.2. and 5.3. in this chapter



Source: ROC Executive Yuan, Department of Accounting, organized from CEC Data

With the craze in speculation between 1988 and 1990, the owners of small to medium-sized enterprises and workers both believed that traditional means of accumulating capital was slower than investing. Even store and factory owners changed their opening hours, to wait for the stock market to close before opening. Workers became unwilling to invest rather than to carry out their original forms of work. We might use an example from the manufacturing industry.

In 1987, 2.821 million was the number of people employed by the Taiwanese manufacturing industry, the highest in history. But with the rapid growth in the stock market, the number of employed people started to decline, declining by 5.1% by 1990. In looking at the rate of growth in the manufacturing industry, this was 11.09% in 1987, yet this had reversed itself to become -0.74% by 1990.³⁴⁸

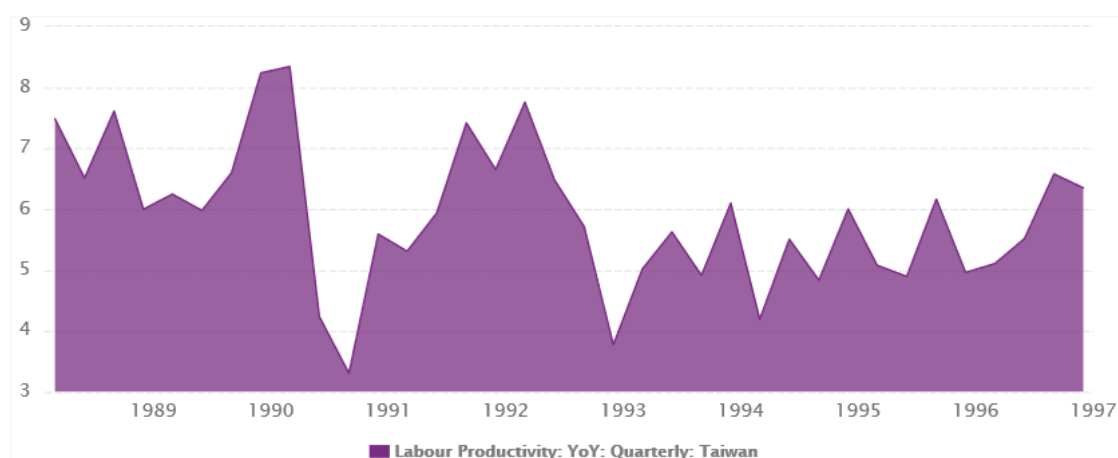
We can see in Chart 5.8 that between 1988 and 1997, in terms of the productivity of Taiwanese workers, we see an overall decline. If we focus on 1990, we see a rapid decline in January of 8.35% to 3.31% in September. If we look at the increase in productivity in Chart 5.8 as compared to the labor participation rate in Chart 5.7 and compare them, we see that during this period, there was a decrease in the total available manpower on the labor market. And, as we see with the average monthly salary in Chart 5.3 while keeping in mind the reduced manpower, this reflects an increase in workers' salaries, as well as that industry faced a lack of manpower.

Consequently, there was a need to raise salaries to attract more workers to enter the workforce. According to news reports and photos from the time, many companies put up ads on the walls of their factories and took out ads in newspapers, emphasizing the generous pay, the comprehensive benefits, and the workplace facilities, to try and address the lack of manpower. The Third Oil Crisis was then taking place in 1990 in the Persian Gulf and, with the price of oil nearly doubling, this led to a lack of resources for industry. Though this may be reflected in the decline in salary levels afterward, this phenomenon did not take place in Taiwan. It can be seen that the fluctuations in wages in Taiwan are not as closely

³⁴⁸ Yu Zongxian and Wang Jinli, *Taiwan paomo jingji*, p. 132.

related to the international economy as often thought, or controlled by labor laws, but this can rather be attributed to deeper links with domestic financial markets.

Chart 5.8. : Labor productivity rate, 1988-1997



Source: CEIC Data

In investigating the Taiwanese labor supply during this period of time, Peng Pai-chong believes that three factors led to the shortage of labor during that time, leading to the importation of foreign labor. 1. The overall Taiwanese population was gradually decreasing; 2. The Taiwanese population was becoming increasingly elderly; 3. There was an increase in the number of non-workers.³⁴⁹ In looking at the growth trends in the overall population, since 1960, this was a growth of 3% in 1960, which fell to 2% by 1980. By 1990, this declined to 1% already.

The growth rate of the population above 15 years old had declined to below 2% by 1990, which was lower than 1.6% by 1996, reflecting the decline in the growth rate of the overall working population to only 1.44% by 1990. The downturn in the growth in population was a phenomenon that was a product of the rapidly aging society. Based on Peng's research, if we define individuals 60 years old and above as "elderly", the elderly constituted over 10% of Taiwanese society by 1990. As an aged society is defined by international standards as a society in which over 7% of the population is elderly, by 1990, Taiwan was already an aged society. Peng comes to an even more surprising conclusion:

"Many people were affected by social values and became discouraged workers. With the decline in the willingness of Taiwanese people to seek employment [...] the number of non-workers in Taiwanese society...by 1991 was more than 6 million individuals. Beginning in 1990, the number of individuals over fifteen years old increased by 289,000, and the number of individuals who were non-workers increased by over 151,000. In other words, only 138,000 individuals entered the labor force. "

³⁴⁹ Peng Pai-chong, Zhan hou Taiwan jingji yu laodong shichang zhengzhi yu jingji de zhenghe guandian (Caituan faren laogong jiaoyu xueyuan, 1998), p. 201-204.

The view that this shift in social values led to the phenomenon of a shortage in manpower is also described in the work of other researchers. Yu Zhongxian and Wang Jing-li believe that apart from the external pressure on small to medium-sized enterprises in Taiwan from the increases in costs, another pressure came from a shift in workers' values and a decrease in the willingness of workers to work due to the rise of the stock market, real estate market, and Everyone Lotto, as well as the development of the service sector.³⁵⁰ This led to a large growth in the labor shortage between 1980 and 1990. According to statistics from Wang Su-wan's research, three industries in which there were major labor shortage rates in 1989 were the manufacturing industry, with 13.09%, the construction industry with 12.32%, and factories, with 12.90%.³⁵¹

Nonetheless, raising salaries still had no way of inducing an increase in manpower during these circumstances, in which there was a decline in the overall labor supply, even with the introduction of foreign labor. Because of the enclosedness of Taiwan as an island, this was also reflected in Taiwan's labor market, in which the labor supply generally came from local residents, and it was costly to import foreign workers.

However, starting from the 1980s, there began to be individuals that came from Southeast Asian countries with tourist visas, overstayed their visas, and began to work. They primarily worked in construction or manufacturing and, according to the unofficial statistics compiled by scholars, there were at least 500,000 such individuals.³⁵² In 1984, then-premier Yu Kuo-hua's "Fourteen Projects" plan was supposed to be completed by 1984, but because of political shifts, with the opposition calling for political reform, oversight measures, open bidding, and labor inspections, this did not go as smoothly as it would have during the preceding authoritarian period. Or possibly because of shortages in manpower, work on the "Fourteen Projects" was continually postponed and remained unfinished.

The then-ruling party believed that these infrastructure development projects were important, but these projects could not be completed in the process of the democratic transition. This is confirmation that the conflictive group had become a political party and that it had to maintain political prestige, otherwise it would lose power. In October 1989, the "Fourteen Important Constructions Manpower Requirement Plan" was announced, with government construction projects being the main target for meeting manpower needs, rather than the manufacturing industry, in which there was the largest shortage of manpower.³⁵³

To meet supply and demand on the Taiwanese labor market, the labor market was opened up to foreign labor and this was used as a mean of preserving the

³⁵⁰ Yu Zhongxian and Wang Jinli, *Taiwan zhongxiao qiye de chengzhang*, (Linking Books, 2000). p. 138.

³⁵¹ Wang Su-wan, "Taiwan Zhongxiao qiye de renli yinjin yu yunyong," *Zhonghua zhanlue xue kan*, no. 89 (October 2000): 41-78.

³⁵² Yu Zhongxian and Wang Jinli, *Taiwan renkou biandong yu jingji fazhan*, (Linking Books, 2009). p. 200.

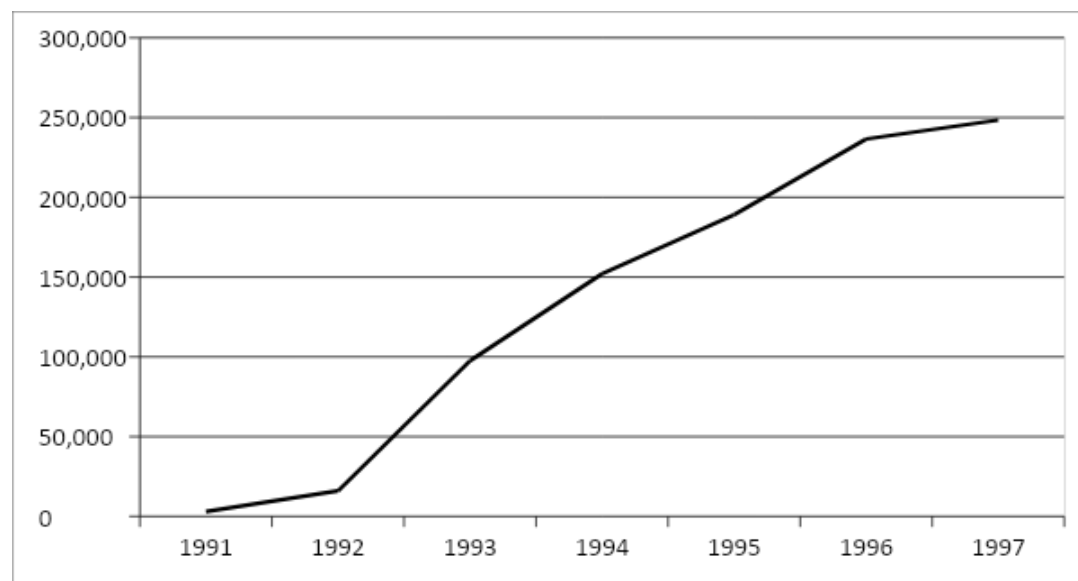
³⁵³ Executive Yuan, "Shisi xiang zhongyao jianshe gongcheng renli xuqiu yinying cuoshi fangan", (*Taiwan sheng zhengfu gongbao* 800 nianchun zi di 9 qi, October 20, 1990), DOI: D9101682.

legitimacy of the government. Foreign labor policy later also became an important diplomatic tool for the government, with the bureaucratic system becoming a key factor in Taiwan's industrial relations, with workers and capitalists having no possibility or spaces for independent dialogue in the political sphere. Whether capitalist or laborer, both were subject to the government's political attitude and required to compromise with the government.

As we can see in Chart 5.9, with the institutionalization of foreign labor policy, there has been an increase in the employment numbers of foreign labor by over 50% every year, up until 1997, by which point there were already 250,000 foreign workers employed in Taiwan. This refers to 250,000 blue-collar workers who came to Taiwan by legal means, excluding workers that overstay their visas or who run away and whose whereabouts are unknown, and not including white-collar workers or domestic workers.

Opening up the labor market to foreign labor decreased the pressure to raise salaries for Taiwanese workers on the labor market. This could result in a loss of support during elections and, if foreign labor policies were implemented according to the control of the political system, the needs of the economic system were considered marginal benefits. But, foreign labor policy easily involves the triangle of workers, capital, and government, leading to the possibility of structural reliance on the government by both workers and capitalists.

Chart 5.9. : Legal foreign labor employment statistics (Blue collar), 1991 to 1997



Source: Organized by the author, original data from the ROC Executive Yuan Department of Accounting

In analyzing the policies that provided for the introduction of foreign labor into Taiwan, it's not hard to understand the government's considerations. To promote public infrastructure construction, the government provided for the entrance of foreign labor, with six industries and 15 occupations opened up for application by employers. The government emphasized that it was opening up industries to foreign labor because the working conditions were difficult, and because

Taiwanese citizens were unwilling to take on such work. In 1992, the labor market was opened up for domestic workers, as a means of addressing the growing need to look after the elderly in an aging society. Another effect was that waged workers themselves became employers.³⁵⁴

The same year, the Employment Services Act was passed, institutionalizing foreign labor and ensuring that foreign labor came under government regulation. With the legalization of brokers to serve as middlemen, this meant that foreign labor policy was not only economic policy, but also became important political leverage, i.e. an important diplomatic tool for Taiwan.

According to interviews conducted in 2012 with individuals that did not wish to be named that participated in the legislative process, I came to learn that in the process of drafting legislature, the view was originally that the government should have total control over the hiring process of foreign labor, not that companies should recruit workers outside of Taiwan themselves. As a result, with the institutionalization of labor brokers, this led to the legalization of the labor broker industry.

Compared with other industries, this industry had deeper connections with the political system, not only regarding the quotas on hiring, but political connections to various aspects of the legislative system, with board members or responsible persons having close social or personal networks with the government, and this becoming a special labor market.

Without political or commercial connections, it would be difficult to acquire broker status. This led to a situation completely the opposite of what had been originally hoped for, with employers providing information to recruitment brokers to find workers with the suitable requirements for employment rather, brokers were awarded contracts as a reward for political loyalty.

Outside of this, this enclosed system led to the reappearance of a class of “slaves,” “long-term workers” and “servants” who had previously with the modernization of Taiwanese society gradually disappeared. “Domestic helpers” work gradually consisted of washing clothes, taking care of children, and related work, and even not working in an employers’ home, but becoming a specialized form of work in itself, such as working in laundromats, infant care centers, and nurseries.

Yet with the implementation of foreign labor policies, the parameters of work primarily were taking care of the elderly or disabled or serving as an individual whose work in the family was to be a “servant.” One often sees upper class women

³⁵⁴ There is no limit to working hours for the caregiver; this depends on the situation that they work in. Most families don’t adhere to the Labor Standards Act in terms of working hours for caregivers. In 1992, the average monthly salary for a caregiver was 11,040 NTDD, or 441.6 USD. By 2018, this was 19,927 NTD, or 664 USD per month. Given the average monthly salary in Taiwan, the average middle-class family could hire a caretaker, and this was allowed by the government, so long as, in accordance with law, the family has an elderly or disabled family member.

or young families bringing their foreign worker with them to take care of children, as a seemingly happy family shopping in a store, this being a symbol of class.

As such, foreign labor became spoken of as a “reserve labor force” by politicians and capitalists. Apart from that Taiwanese workers confronted a stagnation or even decline in their salaries due to the entrance of foreign labor into Taiwan, and a section of the middle-class also became substantive employers, increasing stratification among workers with the view that this was a successful result of hard working resulting in them advancing in social class. This further discouraged Taiwanese workers from taking collective action, seeing as they did not necessarily confront the same social circumstances, and not having the same shared aims. Another way of putting it is that the Taiwanese workers’ movement did not have the historical opportunity to unite, with social action carried out in a divided fashion from start to finish.

5.2. Visualizing the strategic group and its means of consolidation

An important characteristic of the political system in the process of democratic transition is the formation of the strategic and conflictive groups. The strategic group controlled the state apparatus, although compared to the authoritarian period, the space occupied by the strategic group and its members had shrank. But internal substantive changes included the purification and consolidation of the strategic group. Through different forms of social institutionalization and legalization, the strategic group concentrated its forces and capacities.

5.2.1. The erasure of central popular will

According to the ROC Constitution, central representation refers to the National Assembly, the Legislative Yuan, and oversight committees, as well as representatives whose voting rights came from their specialized professions, divided into occupational group representatives and area representatives.³⁵⁵ Which is to say that elections taking place under this constitutional system had four characteristics relevant to individual votes:

1. Occupational group representatives and local representatives were amalgamated.
2. Each voter could only vote once.
3. It was possible for voters to have the right to vote for both district representatives and occupational representatives.
4. Individuals who were members of two occupational groups could only pick one.³⁵⁶

In the design of the general assembly system, the total number of seats was set between 800 and 1,200 individuals, and the ratio of district representatives to

³⁵⁵ Control Yuan members are indirectly elected. Although the Control Yuan should, in theory, have the same status as legislators at the provincial, city, and local level, and also count as a national-level body, as with the National Assembly and Legislative Yuan, because they are not directly elected, there is no system for occupational groups to be elected.

³⁵⁶ National Assembly Executive Secretary’s Office, Records of the National Assembly, 1946, p. 11-12.

local representatives was set at 6 to 4. This reflects that in the originally planned political system, workers and capitalists were provided a space for mutual competition. This was an important means of political participation for workers and was an important channel.

But in terms of actual elections, these weren't the political results. Outside of occupational representatives and district representatives, there were other representatives, such as for political parties or social groups. In the first National Assembly, the system was amended so that there were 665 district representatives and 380 occupational representatives, as well as 155 special representatives and 700 representatives that were prominent members of society, for a total of 1,900 representatives. Political parties and prominent members of society were specially chosen and assigned a quota. The KMT was assigned 220 seats, the Chinese Communist Party 190 seats, the China Democratic Party assigned 120 seats, the Chinese Youth Party 100 seats, and prominent social figures 70 seats. Elections were held on November 21st to 23rd, specifying a total of 3,045 seats, with 2,961 selected.

After the KMT came to Taiwan, the government became that of the KMT party-state.³⁵⁷ According to statistics from the KMT's National Assembly in October 1953, there were a total of 1,401 National Assembly representatives in Taiwan. After replacing 242 seats, this became a total of 1,643 seats. After the second National Assembly, the total number of representatives was 1,578. The attendance records of National Assembly meetings is below. Because of missing data, the number of occupational representatives is incomplete. Please consult the footnotes.

Chart 5.10. : Record of National Assembly meetings

Number	Meeting	Time	Place	Attendance (Occupational Groups)
1	Constitutional drafting meeting	1946.11.15.-12.25.	Nanjing Great Hall of the People	1701 (406) ³⁵⁸
2	First meeting of the first National Assembly	1948.3.29.-5.1.	Nanjing Great Hall of the People	2859 (484) ³⁵⁹
3	Second meeting of the first National Assembly	1954.2.19.-3.25.	Zhongshan Hall	1578 (447?) ³⁶⁰

³⁵⁷ See Chapter 4.1

³⁵⁸ There were 437 seats for representatives of occupational groups, but the number that reported for office was 406. National Assembly Executive Secretary's Office, Records of the National Assembly, 1946. p. 326.

³⁵⁹ 487 occupational group representatives were elected, but a total of 484 individuals reported for office. National Assembly Executive Secretary's Office, Records of the First National Assembly (First edition), First Meeting of the First National Assembly, p. 92 and p. 101.

³⁶⁰ Economic Report Supplement, Occupation Group Representatives and Women's Groups Representatives were a total of 447 seats, National Assembly Executive Secretary's Office (Second Edition), Second Meeting of the First National Assembly, 1961. p. 8-9 and p. 20.

4	Third meeting of the first National Assembly	1960.2.20.-3.25.	Zhongshan Hall	1521 (?) ³⁶¹
5	Emergency meeting of the first National Assembly	1966.2.1-2.8.	Zhongshan Hall	1407 (?) ³⁶²
6	Fourth meeting of the first National Assembly	1966.2.19.-3.25.	Zhongshan Hall	1446 (?) ³⁶³
7	Fifth meeting of the first National Assembly	1972.2.20.-3.25.	Zhongshan Hall	1344 (?+5) ³⁶⁴
8	Sixth meeting of the first National Assembly	1978.2.19.-3.25.	Zhongshan Hall	1220 (204) ³⁶⁵
9	Seventh meeting of the first National Assembly	1984.2.20.-3.25.	Zhongshan Hall	1036 (170) ³⁶⁶
10	Eighth meeting of the first National Assembly	1990.2.19.-3.30.	Zhongshan Hall	738 (?) ³⁶⁷
11	Second emergency meeting of the first National Assembly	1991.4.8.-4.24.	Zhongshan Hall	583 (?) ³⁶⁸

³⁶¹ Available information does not provide information about the categories of representatives and has removed information about the representatives; names apart from their surnames. National Assembly Executive Secretary's Office, Records of the First National Assembly (Third Edition), Third Meeting of the First National Assembly, 1961, p. 16.

³⁶² Available information does not provide information about the categories of representatives and has removed information about the representatives; names apart from their surnames. National Assembly Executive Secretary's Office, Records of the First National Assembly (Fourth Edition), First Emergency Meeting, 1966, p. 43.

³⁶³ Available information does not provide information about the categories of representatives and has removed information about the representatives; names apart from their surnames. National Assembly Executive Secretary's Office, Records of the First National Assembly (Fifth Edition), Fourth Meeting of the First National Assembly, Fourth Meeting, 1966, p. 15.

³⁶⁴ On February 16th, 1967, the "Mobilization to Suppress Chaos and Secure the Country" meeting was held, to discuss the deaths of central representatives and the inability to hold elections in areas outside of the "Free Area" (that is, in the Chinese Mainland), resulting in empty seats. This led to concerns that the legislature might not have enough seats in order to reach a quota. On New Year's Day, 1969, it was announced that by-elections were to be held, with voting to be held on December 20th. 15 representatives were to be elected to represent Taiwan, with five occupational group representatives included among them. Voting was held on December 20th. National Assembly Executive Yuan's Office, Records of the First National Assembly (Sixth Edition), Fifth Meeting of the First National Assembly, 1972, p. 45 and p. 62.

³⁶⁵ There were a total of 204 occupational group representatives, National Assembly Executive Yuan's Office, Records of the First National Assembly (Sixth Edition), Sixth Meeting of the First National Assembly, 1979, p. 6..

³⁶⁶ There were a total of 170 occupational group representatives, National Assembly Executive Yuan's Office, Records of the Seventh Meeting of the First National Assembly, Eighth Meeting of the First National Assembly, 1985, p. 13.

³⁶⁷ Available information does not provide information about the categories of representatives and has removed information about the representatives; names apart from their surnames. National Assembly Executive Secretary's Office, Records of Eighth Meeting of the First National Assembly, Eighth Meeting of the First National Assembly, 1991, p. 10.

³⁶⁸ Available information does not provide information about the categories of representatives and has removed information about the representatives; names apart from their surnames. National Assembly Executive

12	Emergency meeting of the second National Assembly	1992.3.20-5.30.	Zhongshan Hall	403 (n.a.) ³⁶⁹
13	Second meeting of the second National Assembly	1992.12.25.- 1993.1.30.	Zhongshan Hall	401 (n.a.) ³⁷⁰
14	Third meeting of the second National Assembly	1993.4.9.-4.30.	Zhongshan Hall	319(n.a.) ³⁷¹
15	Fourth meeting of the second National Assembly	1994.5.2.-9.2.	Zhongshan Hall	321(n.a.) ³⁷²
16	Fifth meeting of the second National Assembly	1995.7.26.-8.17.	Zhongshan Hall	310(n.a.) ³⁷³
17	First meeting of the third National Assembly	1996.7.5.-8.30.	Zhongshan Hall	334(n.a.) ³⁷⁴
18	Second meeting of the third National Assembly	1997.5.7.-7.23.	Zhongshan Hall	333(n.a.) ³⁷⁵
19	Third meeting of the third National Assembly	1998.7.23.- 1999.1.25.	Zhongshan Hall	330(n.a.) ³⁷⁶

Secretary's Office, Records of Second Emergency Meeting of the First National Assembly, Second Emergency Meeting of the First National Assembly, 1991. p. 18.

³⁶⁹ On December 21st, elections were held for representatives of the second national assembly, according to the territory of the free area. 219 representatives were elected, with six indigenous representatives, 20 representatives of overseas Chinese, 80 representatives by proportional representation, and seats allotted for representation by women. The election system was changed, with no seats for occupational representatives. National Assembly Executive Secretary's Office, Records of Second Emergency Meeting of the First National Assembly, Second Emergency Meeting of the First National Assembly, 1991. p. 40.

³⁷⁰ National Assembly Executive Secretary's Office, Records of the Second Emergency Meeting of the First National Assembly, Second Emergency Meeting of the Second National Assembly, 1991. p. 9. No occupational group representatives.

³⁷¹ National Assembly Executive Secretary's Office, Records of the Third Emergency Meeting of the Second National Assembly, Third Emergency Meeting of the Second National Assembly, 1993. p. 7. No occupational group representatives.

³⁷² National Assembly Executive Secretary's Office, Records of the Fourth Emergency Meeting of the Second National Assembly, Fourth Emergency Meeting of the Second National Assembly, 1994. p. 8. No occupational group representatives.

³⁷³ National Assembly Executive Secretary's Office, Records of the Fifth Emergency Meeting of the Second National Assembly, Fifth Emergency Meeting of the Second National Assembly, 1995. p. 12. No occupational group representatives.

³⁷⁴ National Assembly Executive Secretary's Office, Records of the First Meeting of the Third National Assembly, First Meeting of the Third National Assembly, 1997. p. 8. No occupational group representatives.

³⁷⁵ National Assembly Executive Secretary's Office, Records of the Second Meeting of the Third National Assembly, Second Meeting of the Third National Assembly, 1997. p. 8. No occupational group representatives.

³⁷⁶ National Assembly Executive Secretary's Office, Records of the Third Meeting of the Third National Assembly, Third Meeting of the Third National Assembly, 1999. p. 12. No occupational group representatives.

20	Fourth meeting of the third National Assembly	1999.6.11.-9.3.	Zhongshan Hall	315(n.a.) ³⁷⁷
21	Fourth meeting of the third National Assembly	2000.4.11.-5.19.	Zhongshan Hall	314(n.a.) ³⁷⁸
22	National Assembly	2005.5.30.-6.7.	Zhongshan Hall	298(n.a.) ³⁷⁹

Source: Organized by the author from the records of the National Assembly

In the National Assembly specified in the Constitution, occupational representatives occupied 30 to 40% of the National Assembly, while local representatives occupied 60% to 65%.³⁸⁰ The remainder were primarily members of the Chinese KMT. After elections, the number of district representatives was 735 individuals, and the number of occupational executives was 406. Special representatives, who should only occupy 10% of the total, had increased to 560 seats. So-called occupational representatives included farmers' organizations, fishermen's associations, unions, specialized unions,³⁸¹ commercial groups, miners' groups, educational groups, instructors' groups, and freelancers' groups, with different groups appointing and electing representatives.³⁸²

Of course, the entire workforce could not be represented. But at the very least, in terms of the design of the electoral system, workers could use elections as a form of assembly, regardless of whether the central government and other groups aligned or came into conflict. With the representatives for occupational groups providing an advantage for the relevant parties, this is revealing of that there was the possibility for political participation by workers' groups in terms of relations between labor and capital. At this point in time, the KMT controlled China, so in terms of party membership, the KMT was assigned 220 seats, the Chinese Communist Party 190 seats, the China Democratic Party assigned 120 seats, the Chinese Youth Party 100 seats, and prominent social figures 70 seats, for a total of 700 seats. In terms of provinces, out of the National Assembly in 1946, Taiwan

³⁷⁷ National Assembly Executive Secretary's Office, Records of the Fourth Meeting of the Third National Assembly, Fourth Meeting of the Third National Assembly, 2000. p. 18. No occupational group representatives.

³⁷⁸ National Assembly Executive Secretary's Office, Records of the Fifth Meeting of the Third National Assembly, Fifth Meeting of the Third National Assembly, 2000. p. 17. No occupational group representatives.

³⁷⁹ Elections for the third National Assembly were held on May 14th, 2005, with a total of 300 seats. 298 individuals reported for office. National Assembly Executive Secretary's Office, Records of the National Assembly, 2005. p. 103. No occupational group representatives.

³⁸⁰ National Assembly Executive Secretary's Office, Records of the National Assembly, 1946. Chapter I, Section III, Provisions of the Organic Law of the National Assembly and the Law on behalf of the Election, p. 12.

³⁸¹ Special unions included unions for railroad workers, sailors, salt mining, public roads, the mining industry, telecommunications, and telecoms.

³⁸² Freelancers' groups included lawyers, accountants, Chinese medicine, western medicine, doctors, technicians, and journalists' groups.

held twelve local representative seats,³⁸³ and with six occupational seats.³⁸⁴ It is worth noting, however, that these representatives were not chosen by direct elections.

By the time that the first meeting of the first National Assembly was held in 1948, there were 487 occupational group representatives elected and 297 were recorded as being in attendance. In terms of provincial representatives, there were 19 district representatives from Taiwan,³⁸⁵ and two occupational representatives from Taiwan.³⁸⁶

After the KMT came to Taiwan, according to statistics from 1950, the total number of National Assembly representatives that came to Taiwan was 1400, while there was a total of 380 legislators that came to Taiwan. This was not even half of the originally specified number of legislators. Although the term of the first National Assembly was then extended through various temporary clauses, with the passage of time, many representatives died, affecting the legitimacy of the KMT government. As such, through the “Mobilization and Suppressing Chaos Period Free Area Central Government Employee By-Election Act (動員戡亂時期自由地區中央公職人員增選補選辦法) president Chiang Kai-shek sought to avoid the decrease in representatives becoming a political crisis.³⁸⁷ Terms for serving in the National Assembly were set at 6 years and it was specified by law that elections would be held in 1954.

After its defeat in the Chinese Civil War, the KMT lost its control over China, and so naturally had no way of conducting elections in China. Because there was no way to hold elections in China, the solution was to extend the term of the first National Assembly, with the claim that elections would be held when the time was right.³⁸⁸ As such, in 1954, the second meeting of the first National Assembly was held, as the first National Assembly held in Taipei after the KMT came to Taiwan. But as not all National Assembly representatives had come with the KMT to Taiwan, with some seen as having converted to the Communists and others having become trapped in Communist territory, with their whereabouts unknown, this led to the decision to fill the vacant seats with those who had been runners-up in the previous elections, and internal dissent not being permitted.³⁸⁹ According to data, this led to a total of 1943 seats, 18 of which were district representatives from Taiwan, with it unknown as to how many occupational representatives there

³⁸³ National Assembly Executive Secretary's Office, Records of the National Assembly, p. 77 and p. 104. Guo Yao-ting, Gân Khim-hiân, Huang Kuo-Shu, Lin Lian-zong, Li Wan-ju, Lin Bi-hui, Zhang Qi-lang, Zheng Ping-cong, Gao Gong, Lien Chen-tung, Xie E, Sisin, were the 12 members.

³⁸⁴ National Assembly Executive Secretary's Office, Records of the National Assembly, p. 77 and p. 115. But with some names redacted, those who are left are only the four names of Liu Ming-chao, Wu Guo-xin, Jian Wen-fa, Ji Qiu-shui.

³⁸⁵ National Assembly Executive Secretary's Office, Records of the First National Assembly (First Edition, 1961), p. 55.

³⁸⁶ National Assembly Executive Secretary's Office, p. 70.

³⁸⁷ See Presidential Announcement No. 2048 (1969, March 27), by President Chiang, Kai-shek. Office of the President, Republic of China (Taiwan).

³⁸⁸ National Assembly Executive Secretary's Office, Records of the First National Assembly (Second Edition), 1961, p. 1.

³⁸⁹ National Assembly Executive Secretary's Office, p. 2.

were due to this data being combined with the number of representatives of women's groups' representatives for all provinces and municipalities.³⁹⁰

By the time of Taiwan's transition to democracy, candidates were categorized and voted on for all electoral districts of the electoral system. In other words, the validity of political representation was specified politically by the law, and this notion of validity reflected the views on electoral representation of society as a whole. As such, by investigating legal systems and institutions and the shifts of electoral districts, we can see the shifts regarding political legitimacy and legality and understand the changes in the social context at the time, with the internal embedded factors of the political system and the international outlook having inseparably close relations.

During the Mobilization and Chaos Suppression Period, the Civil Servants Election and Recall Act was passed in 1970. Article 39 specified that: "National assembly representatives are elected on the basis of municipality, city, and county, and are elected through administrative areas or electoral areas. Legislators in the Legislative Yuan are elected based on the basis of provinces, also on the basis of administrative areas or electoral areas, but as divided from other electoral or administrative areas."

Article 40 specifies: "National assembly representatives legislators elected on the basis of occupation groups, are elected on the basis of occupational groups of the same industry in electoral areas. With regards to women's groups' represented in the National Assembly, women's groups' are elected on the basis of women's groups' in each province."

But despite amendments in 1983, 1989, and 1991, Article 40 was not changed. This was true up until 1991, in terms of right to representation for the National Assembly and Legislative Yuan. In the ROC Constitution, if an elector voter were in an occupational group, his vote would be for an occupational group representative, and if he did not participate in an occupational group, his vote would be for a district representatives. Mongolians, Tibetans, ethnic minorities, overseas Chinese, women, and other special groups also had representation in the National Assembly.

To put it simply, in implementing regular elections, citizens could divide their votes between regional representatives and professional representatives according to whether they had professional status. According to the number of seats specified in the Election and Recall Act. To take the first meeting of the first National Assembly in 1948 as an example, there were 3045 seats, with district representatives constituting 2,177 seats, and occupational representations constituting 487 seats.³⁹¹

By the time of the second National Assembly in 1991, occupational representatives were removed entirely, with a total of 325 seats left in the

³⁹⁰ National Assembly Executive Secretary's Office, p. 7.

³⁹¹ National Assembly Executive Secretary's Office, Records of the First National Assembly, p. 92.

National Assembly. Representatives of free areas and counties were 219 seats, with six seats for free mountain areas, 20 representatives for overseas Chinese, and 80 seats for proportional representation.³⁹²

Outside of changes to the National Assembly, the electoral system for legislators was also affected. Originally, the system was designed so that, in the same way as occupational representatives, seats were to be filled through by-elections and selected according to law. But with the changes that took place after the second National Assembly, occupational representative groups were removed. Below, we can see the number of legislators and occupation representatives.

Chart 5.11. : Records of Legislative Yuan elections

Phase	Type	Election area	Year	Number of people to be elected (occupational groups; workers)
1st	Regular election	Nation as a whole	1948	773 (89; 18) ³⁹³
1st	By-election in which seats were added	Free area	1969	11 (0; 0) ³⁹⁴
1st	First election in which seats were added	Free area	1972	51 (8; 2) ³⁹⁵
1st	Second election in which seats were added	Free area	1975	52 (8; 2) ³⁹⁶
1st	Third election in which seats were added	Free area	1980	97 (16; 4) ³⁹⁷

³⁹² National Assembly Executive Secretary's Office, Records of the Second National Assembly, p. 40.

³⁹³ Executive Secretary of the Legislative Yuan's Official Documents Group, Major Records of the Republic of China Legislative Yuan (1), (Taipei: Executive Secretary of the Legislative Yuan, 1949), p. 2.

³⁹⁴ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory (Legislative Yuan, 1990), p. 139. Lang Yu-xian and Chen Wen-jun, Electoral History of the Republic of China, (Central Election Commission, 1987), p. 412. Central Election Commission, "Legislative Elections", Major Records of Elections - Sequential Election Abstract, n.d., https://www.cec.gov.tw/central/cms/elec_hist/21228.

³⁹⁵ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory, p. 140. Lang Yu-xian and Chen Wen-jun, Electoral History of the Republic of China, (Central Election Commission, 1987), p. 460. Workers' representatives elected were Hsieh Shen-shan (KMT) and Yang Deng-zhou (Independent).

³⁹⁶ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory, p. 140. Lang Yu-xian and Chen Wen-jun, Electoral History of the Republic of China, (Central Election Commission, 1987), p. 500-501. Central Election Commission, "Legislative Elections". Workers' representatives elected were Hsieh Shen-shan (KMT) and Yang Deng-zhou (Independent).

³⁹⁷ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory, p. 140-141. Central Election Commission, "Legislative Elections". Workers' representatives elected were Hsieh Shen-shan (KMT), Yang Deng-zhou (Independent), Chen Xi-qi (KMT), and Li You-ji (KMT).

1st	Fourth election in which seats were added	Free area	1983	98 (16; 4) ³⁹⁸
1st	Fifth election in which seats were added	Free area	1986	100 (16; 4) ³⁹⁹
1st	Sixth election in which seats were added	Free area	1989	130 (18; 5) ⁴⁰⁰
2nd	Regular election	Free area	1992	161 (n.a.) ⁴⁰¹
3rd	Regular election	Free area	1995	164 (n.a.) ⁴⁰²
4th	Regular election	Free area	1998	225 (n.a.) ⁴⁰³
5th	Regular election	Free area	2001	225 (n.a.) ⁴⁰⁴
6th	Regular election	Free area	2004	225 (n.a.) ⁴⁰⁵
7th	Regular election	Free area	2008	113 (n.a.) ⁴⁰⁶

³⁹⁸ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory, p. 141. Central Election Commission, "Legislative Elections". Workers' representatives elected were Chen Xi-qi (KMT), Hsieh Shen-shan (KMT), Li You-ji (KMT), and Wu Yong-xiong (KMT).

³⁹⁹ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory (Legislative Yuan, 1990), p. 142. Central Election Commission, "Legislative Elections". Workers' representatives elected were Wu Yong-xiong (KMT), Hsieh Shen-shan (KMT), Li You-ji (KMT), and Wang Cong-song (member of the predecessor the DPP, which had not yet been legalized).

⁴⁰⁰ Legislative Yuan Directory Leadership Committee, First Legislative Yuan Directory (Legislative Yuan, 1990), p. 142-143. Central Election Commission, "Legislative Elections". Workers' representatives elected were Li You-ji (KMT), Hsieh Shen-shan (KMT), Ge Yu-qin (KMT), Wu Cong-song (DPP), and Wu Yong-xiong (left the KMT and joined the DPP).

⁴⁰¹ Executive Secretary of the Legislative Yuan, Second Legislative Yuan Directory (Taipei: Legislative Yuan, 1994). Central Election Commission, "Legislative Elections". This year elections were changed, with term limits of three years set up, and no occupational representatives. There were three individuals who began from labor-related backgrounds that were elected, Li You-ji (KMT), Ge Yu-qin (KMT), and Fan Lai-chin (DPP).

⁴⁰² Executive Secretary of the Legislative Yuan, Third Legislative Yuan Directory (Taipei: Legislative Yuan, 1998). Central Election Commission, "Legislative Elections". There were no occupational group representatives. There were five individuals who began from labor-related backgrounds that were elected, Li You-ji (KMT), Ge Yu-qin (KMT), Chien Hsi-chieh (DPP), Liu Jin-xing (DPP), Zheng Long-shui (New Party, party list).

⁴⁰³ Executive Secretary of the Legislative Yuan, Fourth Legislative Yuan Directory (Taipei: Legislative Yuan, 2001). Central Election Commission, "Legislative Elections". There were no occupational group representatives. There were three individuals who began from labor-related backgrounds that were elected, Li Zheng-zong (KMT), Chien Hsi-chieh (DPP), Zheng Long-shui (New Party, party list).

⁴⁰⁴ Executive Secretary of the Legislative Yuan, Fifth Legislative Yuan Directory (Taipei: Legislative Yuan, 2004). Central Election Commission, "Legislative Elections". There were no occupational group representatives. There were two individuals who began from labor-related backgrounds that were elected, Ho Cai-feng (KMT) and Lin Hui-kuan (New Party, party list).

⁴⁰⁵ Executive Secretary of the Legislative Yuan, Sixth Legislative Yuan Directory (Taipei: Legislative Yuan, 2008). Central Election Commission, "Legislative Elections". There were no occupational group representatives. There were two individuals who began from labor-related backgrounds that were elected, Ho Cai-feng (KMT) and Lin Hui-kuan (New Party, party list).

⁴⁰⁶ Executive Secretary of the Legislative Yuan, Seventh Legislative Yuan Directory (Taipei: Legislative Yuan, 2012). Central Election Commission, "Legislative Elections". There were no occupational group representatives. The

8th	Regular election	Free area	2012	113 (n.a.) ⁴⁰⁷
9th	Regular election	Free area	2016	113 (n.a.) ⁴⁰⁸

Source: Organized by the author from National Assembly records

In terms of the results, with the representation for occupational groups that was originally part of the electoral system, this was originally a means for workers and capitalists to participate in the political system. But in terms of how this was substantively carried out, the National Assembly and first National Assembly elections led to several special mechanisms being instituted through cross-caucus consultation, destroying the original principles of the election system. This led the Chinese KMT to hold onto power. Moreover because of undefined term limits that resulted from the Chinese Civil War, Taiwanese representatives were instituted through supplementary elections, an absurdity resulting from the administrative mechanisms of the nation.

As it was only in the Taiwan area that elections could be carried out, those elected represented only a small part of the population, with no ability to realize a genuine democratic system. This did not conflict with the existence of occupational representatives in the electoral system or the demand for general direct elections, and having divided occupational groups and district representatives was to resolve the questions regarding political legitimacy and legality confronted by the KMT. However, cross-caucus consultations disrupted this system, which was originally to resolve the question of legitimacy and legality through the direct universal suffrage system and through elections.

But with politicians who won office without competing in elections, this was not merely a matter of the normality of a political party. This represented that the political party at the time, used provincial background, blood ties, and educational experience as factors constituting of a class political nobility. With the party holding the right to make decisions for the people through political representation, those who won office decided the views of the party, not that the views of the party decided the direction of the views of the elected representatives. As such, one could not say that the Taiwanese democratic transition becoming a social consensus was a mistaken decision, just that the form of political representation of occupational groups was removed.

Regarding the process by which occupational groups were removed, one reason which is not noted is that the representation of occupational groups usually

size of the Legislative Yuan was reduced to 113 seats, with four year term limits. There was one individual who began from a labor-related background that was elected, Chen Jie (KMT).

⁴⁰⁷ Executive Secretary of the Legislative Yuan, Seventh Legislative Yuan Directory (Taipei: Legislative Yuan, 2016). Central Election Commission, "Legislative Elections". There were no occupational group representatives. There were three individuals who began from a labor-related background that was elected, Wu Yu-jen (KMT, party list candidate), Chen Chieh-ju (DPP, party list candidate), and Lee Ying-yuan (DPP, party list candidate).

⁴⁰⁸ Executive Secretary of the Legislative Yuan, Seventh Legislative Yuan Directory (Taipei: Legislative Yuan, 2020). Central Election Commission, "Legislative Elections". There were no occupational group representatives. There was one individual who began from a labor-related background that was elected, Chung Kong-chao (DPP, party list candidate).

*were not able to be decided by Taiwanese....it was just an empty system of representation, Taiwanese workers were not able to express themselves using this system...For many workers, this was a privilege they did not have, and so because they didn't have this privilege to begin with, it wasn't giving up anything to lose it. It was just that reelection in the National Assembly became the only way of resolving Taiwan's constitutional crisis....*⁴⁰⁹

5.2.2. The political characteristics of publicly-owned and state-owned enterprises

After the removal of central representation in the political domain, the political path of the strategic group changed, though not as much as previously thought. On the one hand, national occupational groups had already become a thing of history and, whether in the National Assembly or legislative assembly, the groups they represented or the provinces they represented had long since been displaced from outside of the control of the ruling power.

On the other hand, in nominally conducting by-elections for occupational groups in the free area, this met the bare requirements for registering and approving unions. In other words, under martial law, there was no space for independent, legal unions. Despite nominal voting rights, the ability to make decisions for “legal” unions was not in the hands of union members, but in the hands of the party cadres, and served as a means for coordinating workers to industrial needs. Union served as a means to provide resources for the ruling party, with the party cadre in the union serving as a social link between the party and the ruling party, and union cadre was a form of occupation under the party state, as a political arrangement of the ruling party.

Looking at it from this point of view, although there was central representation for 400 seats in the National Assembly and the 89 seats in the Legislative Yuan, these occupational groups did not have any substantive social connection. In terms of by-elections held in the “free area”, i.e. Taiwan, there were only five occupational representatives who were from Taiwan in the National Assembly and eight representatives in the Legislative Yuan. With no ability to make political alliances or to engage in political conflicts with groups from other provinces in the political system. For workers in Taiwanese labor unions, there were not even twenty representatives and, although this was the highest path for political participation, there was no substantive influence generated this system.

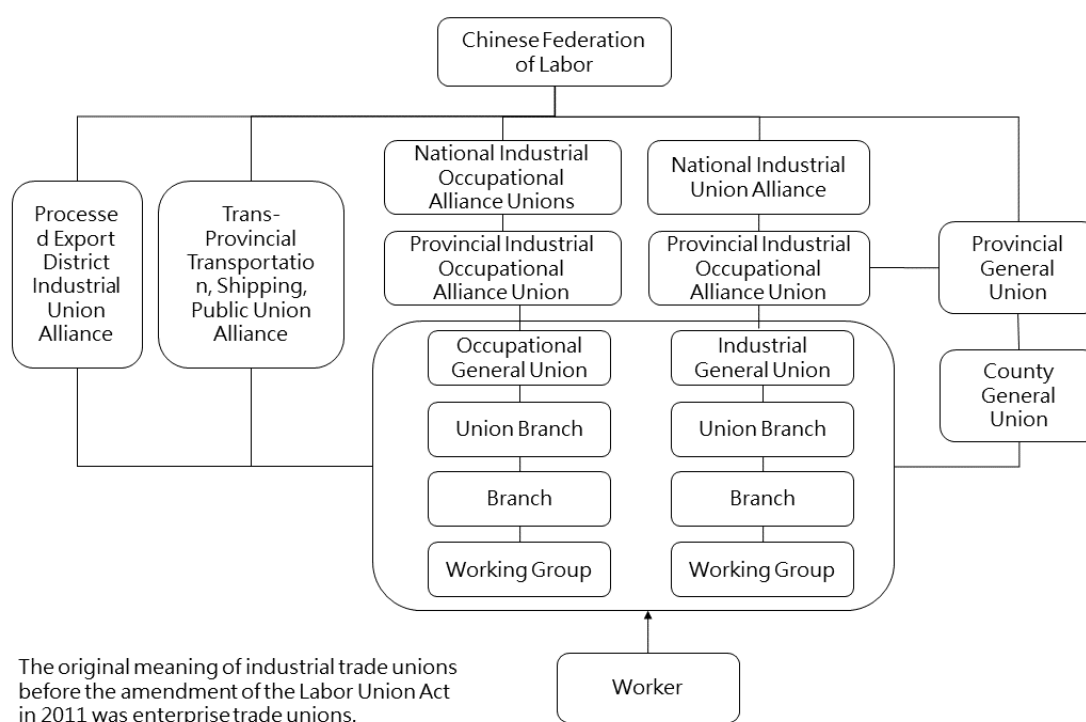
Labor union cadres served as a resource for the ruling party. Through labor unions, workers could be made to accept political and economic aims, pacifying workers to exercise their productivity for the nation-state, with the position of union cadre given as a favor. Workers that submitted to the ruling party could use this position as a way to climb higher on the social ladder, as a commendatory position, and in this way, serving as a political tool. On the other hand, for the ruling party, the position of union cadre could serve as a position for surplus individuals in the

⁴⁰⁹ 2012 Interview.

political system. Oftentimes, they did not begin as members of the union, but were assigned from elsewhere.

Outside of this, in terms of the union system, apart from factory unions, local and national union alliances, on the level of social structure, these usually did not have regular workers as their members, but used members of union groups as members. To use the example of the Chinese Federation of Labour, in terms of the supervision and oversight over the central council and general assembly of the organization, there were seven administrative sections, with members unions from every province, county, city, and state-owned and party-run enterprises, as a union system with many different sections.

Figure 5.2. : Labor union system before 2011



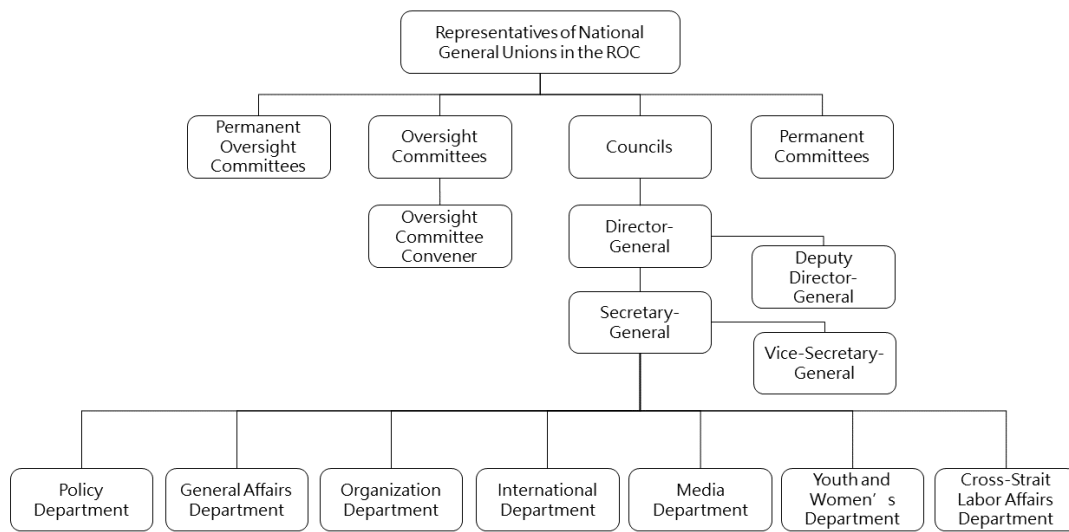
Source: Drawn by the author from the union charter⁴¹⁰

The Chinese Federation of Labour of Trade Unions and Member Unions was the only national union, and so we might analyze its organizational structure. There were 51 members of its central council, with 17 permanent members, one of which was picked as chair, and another member chosen as the supervisory convenor. There were six administrative sections to this, including the organizational section, policy section, general matters section, news section, international section, and young women's section.⁴¹¹

Figure 5.3. : Organizational map of the Chinese Federation of Labour

⁴¹⁰ The Labor Union Act was later amended in 2011 to allow union organizations to join industrial unions. For an organizational chart of Taiwanese labor unions after 2011, please see Figure 6.3.

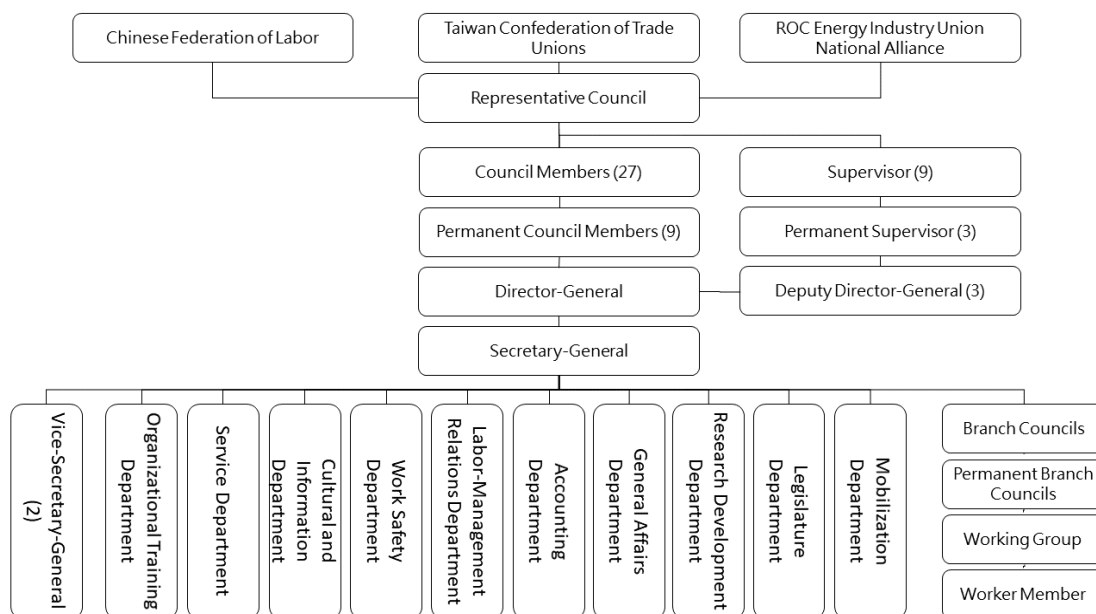
⁴¹¹ With the opening up of cross-strait relations, the "Cross-Straits Labor Affairs Exchange Committee" was set up, with a total of seven administrative offices.



Source: Chinese Federation of Labour’s website

We might look at another example, which of the massive government-run power company, the Taiwan Power Company. The position of trade union cadre became increasingly large with the bureaucratization of the organization, with 9 overseers, 27 council members, 9 permanent members of the council, one chair, and 3 deputy chairs. Below is a diagram of their administrative divisions:

Figure 5.4. : Organizational map of Taipower union



Source: Taipower Company website introduction

For the systematized labor union system, as for Taiwanese labor-industrial relations as whole, one could say that there was a high degree of organization, but a low level of trust. Generally speaking, if a society has a high rate of unionization, in terms of the system of checks and balances, this should lead to feedback from

the social system, leading Taiwanese workers to have a large degree of social safeguards. But, on the contrary, as described in the first chapter, Taiwanese workers faced low salaries, long working hours, unevenly distributed wealth; and the high degree of unionization has not led to good results. This must be the result of other factors, and not from the self-organized participation of workers regarding political participation. Therefore, to understand the anomalous relations between workers and unions, we must realize the high rate of unionization in Taiwanese unions has not led to a high degree of union mobilization or strength. Rather, the links between Taiwanese unions were not formed with the aim of connecting different unions, but can be seen as a form of political arrangement.

Chart 5.12. : Total number of union members

Year	Unions	Institutional members	Personal members	Organization rate
1987	2510	...	2099813	34.2
1988	3041	...	2260585	37.6
1989	3315	4254	2419664	38.1
1990	3524	4435	2756620	43.3
1991	3654	4560	2941766	48.0
1992	3657	4596	3058414	48.1
1993	3689	4654	3172116	49.5
1994	3706	4651	3277833	48.9
1995	3704	4475	3135875	46.6
1996	3700	4526	3048270	44.6
1997	3714	4549	2952883	42.2
1998	3732	4541	2921400	41.1
1999	3804	4560	2927361	40.0
2000	3836	4503	2868330	38.5
2001	3945	4716	2879627	39.4
2002	4120	4757	2866403	38.5
2003	4185	4791	2908077	38.4
2004	4317	4866	2970716	37.8

2005	4335	4862	2992469	37.0
2006	4500	4871	2984601	36.0
2007	4573	4912	3026508	35.8
2008	4663	5228	3043223	36.1
2009	4759	5298	3177591	37.8
2010	4924	5317	3216502	37.3
2011	5042	5298	3321969	34.8
2012	5225	5270	3387524	34.9
2013	5285	5218	3362024	34.3
2014	5382	5213	3349521	33.7
2015	5424	5175	3350520	33.4
2016	5485	5178	3348702	33.2
2017	5499	5120	3380879	33.2

Source: Statistics compiled by the Minister of Labor

In investigating the rate of unionization in Taiwan's labor union system, one observes a growing rate of unionization from 1987 to 1996. The overall rate of unionization grew from 34.2% to 44.6%, with the peak being 49.5% in 1993. If we can connect the rate of unionization to the process of democratization, we would, however, come to the incorrect inference that with the lifting of martial law and the democratic transition, this also led to increasing political participation by workers.

During this period of time, workers' participation in the political system had advances due to their participation in labor unions, and workers' paths for political participation through labor unions led to their desire to participate in politics. According to Article Six in the revisions to the Labor Insurance Act in 1979, if workers without set employers participated in labor unions, they could obtain labor insurance, with the government standing in for the employer. It is for this reason that the rate of unionization grew to as high as 40%.

As such, the number of unions in Taiwan grew from 397 in 1979 to 1,286 by 1987. Occupational union organization constituted 36.3%, and it increased to 2,422 occupational unions in 1996, by which time the rate of occupational union organization reached 56.7%. The height of this increase in unionization was 61.2% in 1993.⁴¹²

⁴¹² Annual Report of Labor Statistics, Ministry of Labor. Figure 3-1: Members of all levels of unions.

But with the institution of national health insurance in 1995 and, with the integration and expansion of health insurance for civil servants, workers, farmers, soldiers into the national health insurance system, the national health insurance system set health insurance premiums based on occupation, not on the basis of preexisting conditions. For individuals not covered by the national health insurance or unable to provide proof of their work, joining the national health insurance through a union was one significant way of taking out a policy. Because joining a union in order to join the national health insurance became the most significant means of obtaining insurance, this led to the rapid growth of occupational unions, and it appeared as if the rate of unionization was sharply on the rise. As seen in Chart 5.13, this is very visible in the rate of labor organization, with a sharp decline in company unions year by year, but a sharp growth in occupational unions.

Chart 5.13. : Rate of unionization

Year	Workers national Rate of Unionization	Company Unions Rate of Unionization	Company and Industrial Unions Rate of Unionization	Occupational Unions Rate of Unionization
1989	38.1	30.6	30.6	42.8
1990	43.3	31.3	31.3	50.7
1991	48	29.3	29.3	59.7
1992	48.1	28.3	28.3	59.7
1993	49.5	28.5	28.5	61.2
1994	48.9	27.4	27.4	60.3
1995	46.6	25.4	25.4	58.1
1996	44.6	23.6	23.6	56.7
1997	42.2	23	23	53.3
1998	41.1	22.1	22.1	52.1
1999	40	22.5	22.5	50.3
2000	38.5	20.9	20.9	49.2
2001	39.4	20.9	20.9	50.9
2002	38.5	20.3	20.3	49.3
2003	38.4	19.5	19.5	49.9
2004	37.8	19.6	19.6	49.1
2005	37	19.7	19.7	48.1
2006	36	18.1	18.1	47.2
2007	35.8	17.4	17.4	47.5
2008	36.1	15.8	15.8	49.1
2009	37.8	15.4	15.4	52.5
2010	37.3	14.6	14.6	53.4
2011	34.8	14.6	7	46.5
2012	34.9	15	7.1	45.8

2013	34.3	15.4	7.4	44
2014	33.7	14.9	7.3	43.6
2015	33.4	14.6	7.3	43.4
2016	33.2	14.7	7.3	42.9
2017	33.2	15.6	7.6	42.1
2018	32.9	15.2	7.6	42.2

Source: Ministry of Labor annual statistics

With these structural shifts, on the one hand, the function of labor unions as allowing for labor insurance led to systematic socially-related links. In the meantime, as membership fees and insurance fees were an important source of income for labor unions, the transition to national health insurance provided an additional source of income for unions.

But despite this source of income, this weakened the mobilization capacity of workers and labor groups, and led to a weakening of labor groups, as workers' main aims in participating in labor unions was to obtain medical insurance. This is a logical inference. In the end, workers picked labor unions in terms of the capital resources they provided, rather than on the basis of their mobilization strength.

"Labor union" was then relegated in duty to not serving as a mobilizing organization, but also one which substantively played a social role in maintaining the social safety net, further institutionalizing labor unions' links with the economic and political system. Unions became almost as an administrative department for providing social serves under the government.

The structural aims of such unions underwent shifts, leading unions to become stratified according to their social characteristics. Some unions became structures for managing insurance, while others continued to adhere to the path of organizing protests. Some were also unable to maintain their status as purely workers' organizations, leading them to need to expand to include students in their definitions of workers, with a gradual loss of space for purely workers' organizations.

This decline in workers' membership in unions led them to develop gradual distinctions which began to appear between "labor movement organizations" (勞動運動團體) and traditional unions, with questions about whether labor movement organizations truly represented workers. That workers would not agree with their actions became an underlying concern of such organizations.

One also notes that labor unions of a similar social stratum would compete with each other in recruiting members for labor insurance. This became a spark for competition between labor unions, something disadvantageous for cooperation

between workers' organizations. In this sense, labor unions in Taiwan came to serve as labor insurance offices for labor and national health insurance.

5.2.3. The bureaucratization of legal unions and the individualization of paths for political participation

Labor unions during the democratic transition, on the one hand, began to demonstrate the tendencies toward high stratification in the overall labor union system. This demonstrates that the political system began to incorporate labor unions into normal operations, no longer looking at labor unions as an external factor that led movements outside of the political system, but normalizing labor unions as part of regular social operations.

This is proof of the direct effects of democratization on labor unions, a development which corresponds to what would be predicted by political science. But on the other hand, the design of the original political system allowed workers a path to political participation, with the elimination of workers' organizations direct participation in government through the revision of the Constitution, yet other groups continuing to be allowed participation in government.

This reflects the changes in Taiwanese society during democratization and in workers' identities, in which they no longer had an assured place in society. This leads us to two lines of thought, that workers' economic position in society had improved, without a need for mechanisms to protect their rights in the political system. The other is that workers' political places were no longer part of the political mainstream, that workers had become thought of as a politically unimportant group in society, and that it was believed that they did not need attention in the political system.

But is that a correct explanation? With paths for political participation for Taiwanese workers blocked during this time, this does not actually correspond to the circumstances described in my interviews.⁴¹³ Although one could depend on occupational groups as the basis for political voting, this was not the actual reality, since this was never truly implemented.

Workers perhaps did not realize that they had lost or their paths for political participation were blocked in the course of Taiwan's democratization, as well as that this was related to their rising/declining social status? This might explain workers' groups' part of the strategic group and related social groups. Why did they not have any awareness of this change in their situation?

In examining the network of social relations during this time, the social elements of workers' groups in the strategic group, and related bureaucratic system of the ruling government, we can discover that in the context of government-run and party-run enterprises, the direct representative system did not have legitimacy or representativeness despite the implementation of direct elections in Taiwan.

⁴¹³ See footnote 420.

In the long-term, labor groups sought to achieve their political aims, but it was not through political participation that they sought to achieve this. Rather, it was through executive mechanisms or social networks linked to executive mechanisms that they hoped to see their aims achieved. Social elements of workers in the strategic group set up direct channels outside of a legally representative system. Consequently, with regards to the question of whether occupation groups were able to be genuinely represented in the representative system, or whether this social network could be mobilized for occupational groups, issues of the allotment of resources took priority. Political participation by workers and workers' groups during this period was only to serve as a rubber stamp for the ruling party.

Labor union cadres normally were never in the labor union office. The door was never open. Workers also never knew what labor union cadres were doing...but when it was election time, the door was suddenly open, and there would suddenly be a lot of people inside. Inside, there would be treats, drinks, and the election candidate would be friendly to everyone, telling you what number you should stamp on the election ballot...⁴¹⁴

Such phenomena led the representative system to become rigidified. First, the representatives of occupation groups were elected for long terms as a form of political reward. Such individuals were not usually workers and had not begun their careers within the labor union. Workers also did not have substantive links to labor representatives. Second, these kind of ties relied on exchanges of goods for votes, contributing to a political culture around voting which exists in Taiwan to this day.⁴¹⁵

With personal interest becoming an important link between labor unions and workers, union cadres seeking to advance their social position using their position was quite self-evident. This was a way to leave the labor strata of workers and return to the political group in which they had begun.

From the democratic transition onward, labor unions began to provide union benefits. Compared to American labor unions, these benefits far exceeded what is normally provided by labor unions, including providing benefits for workers' private activities.⁴¹⁶ This led the social relations between labor unions and workers to become increasingly complicated, because this led to the introduction of many uninstitutionalized grey zones into elections, with personal relations taking precedent. A result was that labor unions lacked the class consciousness to coalesce into a political force.

⁴¹⁴ From 2012's interviews.

⁴¹⁵ "Rice wine exchanged for votes" and "Voting for MSG" are forms of voting behavior which left a deep impression on people of that generation. The links that electoral candidates were supposed to have with the people or how they were supposed to represent them at the central level of government, but Taiwan has long had issues regarding political legitimacy, and this sort of behavior became a way of exchanging personal interest for votes.

⁴¹⁶ Ho Ming-sho, *A Working-Class Movement without Class Identity: Taiwan's Independent Labor Union Movement and the Limit of Brotherhood.* P. 74.

Third, after labor union cadres won the posts they were seeking, they would return to the political group they originally hailed from, and as a labor representative, they would return to just killing time, a particular specificity of the strategic group. Labor affairs were just a temporary political duty for them, because they had higher political aims.⁴¹⁷ Workers were very clear that such individuals were not workers. This lack of social embeddedness, unsurprisingly, led to a large space for the development of the conflictive group.

For labor union cadres in the strategic group, seeing as they themselves were not working class, in just passing time in their position, they would not become “comrades” or “collaborators” with workers. For them, serving as a labor representative was not the only path to political participation, so in terms of equal legitimacy of political rule, there were not too many challenges from the strategic group after constituent seats for labor groups were removed. The democratic transition actually allowed many labor union cadres to return to the administrative sections of the political system as labor committee representatives, members of the Ministry of Transportation and Communications, the Ministry of Economic Affairs, or the ruling party as it expanded various government sections.

We might take the famous workers’ representative Hsieh Shen-shan as an example. Hsieh, whose life history was deeply connected to that of the Taiwan Railways Union, who served as legislator, and was director-general of the Chinese Federation of Labor, served as a member of the central committee of the KMT, the vice-secretary of the central committee of the KMT, and director of organizational work for the KMT. Hsieh was also director of the labor committee of the Executive Yuan, was an advisor to the Executive Yuan, secretary-general of the Executive Yuan, Hualien county commissioner, and served in Taiwan Railways Union National Federation.

With regards to Hsieh’s rising career, he first began from party work, then moved later on to senior positions in the government later on his career. For politicians in the strategic group, this was quite normal. Serving as a labor cadre was only a way to secure advancements in one’s career, reflecting social changes in Taiwanese society. Workers were generally thought of as a lower class in society, but this was to fail to meet the basic requirements for democracy. Workers did not have permanent places of long-term residence nor did they stay in a particular location, needing to fight over their positions. In consideration of the somewhat feudal nature of Taiwan at this time, this was a factor as to why Taiwan did not constitute a strong working class with strong workers’ groups.

As such, if we analyze the stages of Taiwan’s democratic transition from the standpoint of workers and related social units in strategic groups, we discover the following:

1. In terms of Taiwanese society after the lifting of martial law and amendment, with the complete change in the National Assembly system, apart from

⁴¹⁷ See Chapter 4.2.2, Paths for Political Participation for Workers under Conditions of Institutionalization, Footnote 314.

democratic representatives, the first direct election for president was held on March 23rd, 1996, something that came to be viewed as a success of the democratic transition.⁴¹⁸ But for workers, with the elimination of assigned seats for workers' representatives, this substantively blocked a path for political participation. The legitimacy of the KMT government's political system did not survive the political crisis of democratization, and this was what led to the removal of these seats, if one is to rationalize this decision.

In other words, the questions of legitimacy in the original voting system led to issues regarding the political structure during the martial law period, but not in terms of the protections for workers' safety. Taking this view, while Taiwanese society obtained direct democratic voting, on the other hand, workers were pushed out of the political system.

As such, they could only participate in the political system through participating in protests. This explains the explosion of social movement activity after democratization. This flourishing of labor unions did not occur because of the lifting of martial law, but because social movement participation was all that was left to workers as a result of the institutionalization of the political system.

2. Regarding the question of whether workers won political freedoms in the course of Taiwan's democratic transition, this also brings us to an interesting conclusion. During Taiwan's democratic transition, with gradual increasing institutionalization and the lifting of martial law and restrictions on the freedom of the press, this should have led to a corresponding increase in Taiwanese society's political freedoms.

But for workers in strategic groups and related social elements, with the loss of direct channels for political participation, we can't say that this was a gain for political freedoms. On the contrary, they lost an area of contestation with capitalists, weakening workers and strengthening capitalists. As a result, workers in the strategic group could only rely on executive power in order to obtain changes in the institutionalized law regarding labor. There were too many areas in which they could only accept whatever was offered them and could not directly contest capital. The political freedom of workers in the strategic group became further limited.

3. Much in the same way, in observing strategic groups' civil rights as compared to the civil rights of workers in the strategic group, this leads us to a related conclusion worth pondering. Workers and capitalists are seen by some as sharing a similar political status in terms of their abilities to defend their rights in the face of labor issues. But labor-industry relations in the labor law led workers to be far more regulated than capitalists.

⁴¹⁸ In 1997, with the fourth revision of the Constitution, the third line of the ninth article was changed, changing "province" to "local autonomous groups." The status of Taiwan is no longer one of the 36 provinces in the "inherent territory" of the Republic of China, but having substantive scope and boundaries in terms of political sovereignty.

In evaluating changes in the labor law, many legal responsibilities fall onto workers, such as regarding the need to pick only “legal” means of protest. Most behavior by workers during strikes were institutionalized. But if labor-capital relations led to strikes, this was the result of protests between labor and capital, not the cause. For capitalists engaging in business, labor law became restricted to seemingly only applying to workers and not regulating both workers and capitalists. As such, the place of workers and capitalists were not the same when it came to the law or social position, this is very clear.

4. As for horizontal accountability and effective governance, there were two effect on workers. First, through labor regulation institutions and the institutionalization of the system of labor-industrial relations, workers were positioned as workers, as those regulated by labor authorities as the labor affairs committee.

Comparatively, for capitalists who were employers of workers —although they also should in theory also be regulated by the labor affairs committee —in terms of the administrative system of government, it was actually Ministry of Economic Affairs and Ministry of Finance determined economic policy and financial policy. As such, the labor affairs committee of the Executive Yuan faced even larger bureaucratic systems.

In interviewing workers in these bureaucratic institutions, I found that they admitted that when discussing policy, issues regarding salary or working hours were discussed in terms of the freedom of the market. This further demonstrates how workers in the strategic group and capitalists did not achieve equality during democratic transition, with workers left only with the choice of trying to form ties with administrative institutions, but not having a directly link to these executive mechanisms the way that capitalists did.

5.3. The expansion of the conflictive group

What is very clear is that the democratic transition period led to a large increase in mobilization capacity for the conflictive group. Conflictive groups absorbed many social elements originally from strategic groups, leading the internal elements of the group to increase in number and complexity.

To this end, because of growth, this led to many changes in the group. The DPP became the core of the conflictive group, and a workers’ party was formed. Three significant shifts happened in terms of changes in the labor movement and the labor union system regarding workers’ movement and labor union system.

5.3.1. The democratic progressive party becomes an important core of the conflictive group

In confronting the shrinking spaces for political participation during the democratic transition, this created space for the development of the conflictive group. Before November 7th, 1992, the DPP was formed by dangwai movement activists on September 28th, 1986, with 132 founding members. After ten years of development, the DPP became the second largest political force in Taiwan, able to

fight against the over one hundred years old Chinese KMT.⁴¹⁹ Research has demonstrated that workers and small private enterprises are among its key supporters.

The results of a survey conducted by Lin Chia-lung in 1989 point toward the composition of KMT supporters were primarily workers, members of the middle-class, small industry and small farmers. On the other hand, the supporters of the DPP were workers, petty bourgeoisie, the middle class, and small farmers. Workers constituted more than one half of the DPP's supporters.

Chart 5.14. : Analysis of the class composition of voters for political parties (1989)

Observation values (Row%) (Column%) Class		Class ⁴²⁰				Percentage
		Small farmers	Workers	Middle class	Petty bourgeoisie	
Choice of political party	Chinese KMT	80 (15.6%) (87.5%)	223 (44.0%) (73.8%)	197 (23.7%) (85.1%)	84 (16.6%) (66.7%)	507 (76.8%)
	DPP	11 (7.2%) (12.1%)	79 (51.6%) (26.2%)	21 (13.7%) (14.9%)	42 (27.5%) (33.3%)	153 (23.2%)
Total		91 (13.8%)	302 (45.8%)	141 (21.4%)	126 (19.1%)	660

Source: Lin Chia-lung: Who Supports the KMT? Who Supports the DPP? Political Support in Taiwanese Based on Class, 1989⁴²¹

In examining voting behavior during this period, long-term research on political behavior in Taiwan carried out at National Cheng Chi University's Election Research Center on the basis of telephone polling also points toward the class composition of the DPP. The proportion of blue collar supporters of the DPP was higher than that of the Chinese KMT.

Chart 5.15. : Class composition of voters' support for political parties (1992-1996)

⁴¹⁹ Although the KMT was formally named in 1912, the Revive China Society that preceded was founded in Honolulu, Hawaii.

⁴²⁰ The following research will analyze small farmers, the working class, the middle class, and petty bourgeoisie as four categories. Small farmers include self-cultivating farmers, tenant farmers, fishermen, and salt miners. The working class includes workers, transportation workers, and regular employees in industry and commerce. The middle class includes members of the military, public servants, teachers, freelancers, engineers, cultural workers, and project managers. The petty bourgeois includes dealers, entrepreneurs, and corporate shareholders.

⁴²¹ From Lin Chia-chen et al. Xuanju qianxi kan xuanju - xuanju de zhengzhi, shehui yu youxi guize lun, Zhongguo luntan, Volume 28, Issue 9, no. 333 (August 10, 1989): 6-31. p. 11.

Political party	Class	1992 Legislator	1993 County magistrate or mayor	1994 Provincial Represent ative	1995 Legislator	1996 National assembly representa tive
Chinese KMT	White collar	50.6	55.5	58.0	55.1	51.1
	Farmers, forestry, or fishermen	8.8	9.7	5.6	6.7	11.8
	Blue collar	23.8	15.2	17.1	18.0	15.4
	Other	16.8	19.6	18.8	20.2	21.8
DPP	White collar	50.6	54.5	56.9	51.6	53.3
	Farmers, forestry, or fishermen	8.3	10.0	6.2	6.2	5.0
	Blue collar	24.8	20.7	20.9	20.4	17.1
	Other	16.3	14.8	16.0	21.8	24.6

Source: National Cheng Chi University Election Research Center, Data from 1992 to 1996⁴²²

As seen in the level of support from different classes, workers in the conflictive group constituted the highest level of support, something indicative of the party preferences of the conflictive group. In examining the party structure of the DPP, one notes that not only is there a department of labor in the central party office, but also in local party chapters, something which there is no equivalent in the strategic group, the Chinese KMT. This reflects the greater activity of workers in the conflictive group as compared to the strategic group, in that they are more focused upon.

Much research has focused on the question of why workers support the DPP, taking the view that with new freedoms after the lifting of martial law, this led to more freedoms to form organizations in Taiwanese society. The democratic transition challenged how political aims were the only aim of governance during the authoritarian period, with the demands of economic interest taking priority.

With no paramount authority in the social structure, different social elements had to work together, in order to preserve or compete for political power. The KMT

⁴²² From Lin Qiong-zhu, "Taiwan zhengdang tixi chongzu guocheng zhi yanjiu: 1991 nian zhi 1996 nian", National Cheng Chi University Political Science Department, p. 77, Figure 4-2, The KMT's Voter Constituency (1992-1996), and p. 82, Figure 4-3, The DPP's Voter Constituency (1992-1996).

decided to preserve its focus on prioritizing business to repress labor, strengthening the linked relations between industry and financial groups, which allowed the DPP some space to move. Comparatively weaker forces of labor and petty bourgeoisie who had been repressed during the authoritarian period found that they could suddenly influence politicians with their votes during the democratic transition. Of course, they wouldn't vote for the KMT, so they turned toward voting for the DPP.⁴²³

Because the KMT controlled the flow of resources from America to members of the waisheng ethnic group to members of the bensheng ethnic group, workers confronted a system of mutual aid between political parties and capitalists, not only in terms of material resources and manpower, but in terms of depriving workers of even their basic rights to collective assembly or to strike without interference. There was no way to operate unions normally to call for changes in working conditions or related rights, leading workers to be dissatisfied toward the ruling government in society, leading to shifts in their political support and behavior.⁴²⁴ In other words, Taiwan's economic level during this period became a key force to influence elections in terms of social elements and social connections, which is the reason why the DPP would win the support of workers.

On the contrary, research also demonstrates that after the end of martial law, compared to other martial law periods, Taiwan focused on the issue of political freedoms, and the deepening of political equality. The opening up of political freedoms are to address the obstruction of political freedoms and to allow all citizens to have political freedoms, as well as to remove inequalities from economic class.

But in terms of the parasitic colonialism of the KMT, whether in terms of political participation as part of government as part of the public sphere, or even in terms of private education, commercial activity, and social life.⁴²⁵ The biggest source of inequality was provincial background. The rulers of the time may not have been like the dictators of other countries, with those colonized deemed an economically profitable colonized underclass, but in terms of lived social experience, waisheng versus bensheng background led to two divisions in society, a distinction still well-remembered in Taiwan.

With regards to so-called bloodline in this case, this doesn't refer to traditional bloodlines, this was simply that for many generations, bloodline determined one's political place in life and fate. Mixed in were political elites that believed the masses were ignorant and in need of education and that the nation would need to

⁴²³ Lin Chia-lung, *Guomindang yu min jin dang de qunzhong jichu: Taiwan xuanmin zhengdang zhichi de bijiao fenxi*, (MA Thesis, National Taiwan University Politics Department, 1988), Ou Yang-cheng, "Taiwan minzhu zhuanxing qi zhengdang jingzheng xing tai de shehui jichu (1986-1992)", National Taiwan University Politics Department, 1994).

⁴²⁴ Hsu Cheng-kuang and Song Wen-li, *Taiwan xinxing yundong (Juliu tushu gufen youxian gongsi, 1989)*, Chen Jia-hong, *Ji jiegou de zhuanxing yu taiwan zhengzhi fandui yundong (1960-1992)* (MA Thesis, National Cheng Chi University Three Principles of the People Research Department, 1994), Figure 4.1, Taiwan's Second Social Reconstruction.

⁴²⁵ See 4.1 The Second Restructuring of Taiwanese Society

be led by political elites. This led certain political elite groups to try and defend themselves and their ideology of national development.

Sui Du-qing believes that this was key for the development of Taiwan's political system, with power overriding considerations of local conditions.⁴²⁶ Peng Huai'en believes similarly, arguing that whoever controls the state apparatus has the ability to politically decide social development.⁴²⁷

Liao Da-qi takes the view that the rule and administration of political elites far surpassed rule of law.⁴²⁸ As such, in evaluating the careers of politicians, focusing on "individuals" tends to be quite persuasive, because this masks the existence of political elites. But in evaluating the social attributes of these elites, one finds that they generally have the shared characteristic of the "legitimate" bloodline, with more political capital and economic resources than normal people. As such, concealed behind the existence of political elites is the existence of political bloodlines and elites. In other words, these people belong to politically elite groups, but the precondition for this is political bloodline and through this, they could obtain educational opportunities and material resources that others could not obtain, rather individual political strategy or social opportunities.

In analyzing why social groups would coalesce, if as described earlier, there was no way to stay off the desire for political freedoms in Taiwan, this not only created space for the activity of conflictive groups, but sped up their pace of development. From the point of view of workers, the development of modern industry brought with it class stratification and calls for political freedom also had the demand for political equality behind —particularly regarding issues of bloodline descent or provincial original.

This became a pressing social issue in need of addressing. For the DPP, which was at the core of the conflictive group, individual social elements part of the conflictive group did not participate organizationally on the basis of their identity as workers. There were other ways of describing the difference between conflictive and strategic groups, such as besheng members of the civil society, army, or teachers, owners of small-to-medium sized enterprises, social specialists, religious individuals, and etc.

For conflictive groups, the most important source of internal cohesion was to use social-economic commonalities to create the largest common denominator. This was primarily waisheng versus besheng divisions instead of class. This was the first possible divergence point that workers in the conflictive group had to accept.

As seen in Chart 5.15, in terms of the proportion of voters for political parties, the number of blue-collar voters is proportionally higher in the DPP as compared to the KMT. But as seen in examining this social stratification one discovers that there

⁴²⁶ Sui Du-qing, *Zhonghua minguo de xianzheng gongcheng: Yi shuang shouzhang zhi wei zhongxin de tantao*, (Taipei: Weber Publishing, 2001), p. 51.

⁴²⁷ Peng Huai'en, *Taiwan zhengzhi fazhan* (Fengyun luntan chuban she, 2003), p. 208.

⁴²⁸ Liao Da-qi, "Renzhi chuancheng de weiquan zhangwo - taiwan xianzheng fazhan guocheng zhong lingdao jing ying jue de chutan (1950~): Cong zhidu bianqian kan xianzheng gaige: Beijing chengxu yu yingxiang xueshu yantao hui", (Taipei: Academia Sinica Politics Department, 2005)

are some similarities in political structure between the KMT and DPP, as the cores of the strategic and conflictive groups. For both sides, white-collar workers comprised 50% of supporters, while both also had less than 10% support from fishermen, forestry workers, and farmers. Supporters from other groups was less than 20%. The difference in the proportion of blue-collar workers was only relative. But the largest difference is only 5%.

This demonstrates structural similarities between the voters of both parties. Given the similar social structure of supporters, this led both parties to propose similar policies in the hopes of attracting such voters. This led to some homogeneity during this period of time, but this added to pressure regarding similar policy.⁴²⁹ Positive policy had a learning effect and an expansion of welfare led to a financial crisis. On the other hand, for workers, this was also positive, since through the struggle for labor policy, they could evaluate political parties. Oppositely, short-sightedness led political parties to lack stable social links between each other.

During the democratic transition, this being the case, the political behavior of conflictive groups became more public, and the DPP established itself as at the core of the conflictive group. For individual social elements, how much support did the conflictive or strategic groups have? In other words, how much space did the conflictive group have to operate? What kind of policy should they adopt in order to attract a stable base of social support?

Chart 5.16. : 1996 Classification of political parties into eight categories

Occupational Category	Pan-Blue (%)	Non-aligned (%)	Pan-Green (%)	Total number of responses (N)
Members of the military, public servants, and teachers	61.0	28.2	10.8	(1067)
Managerial and professional workers in the private sector	40.9	40.9	18.2	(1271)
Office workers in the private sector	44.9	39.6	15.5	(1849)
Private sector workers	34.5	51.7	13.8	(1525)

⁴²⁹ It was a phenomenon called "jiama" that if a candidate of a party proposed a policy that corresponded to social consensus, his opponent would propose a similar policy with a wider scope of application or a larger budget. What is of note is that this frequently happened regarding certain types of policies, such as regarding social welfare, or public works. There was also the opposite phenomenon, "jianma," in which there were calls to restrict the scope of the budget for sectors of government as administration or national defense.

Farmers, forestry, and fishermen	40.3	49.8	10.0	(872)
Students and others	37.3	51.1	11.6	(3153)

Source: National Cheng Chi University Election Research Center⁴³⁰

As seen in Chart 5.16, putting aside members of the pan-Blue camp in the strategic group and members of the pan-Green camp in the conflictive group, during normal periods in Taiwan's political domain, individuals who do not express a political position can sometimes surpass 50%.⁴³¹ These individuals are sometimes referred to as "swing voters", with the belief that such individuals have high odds of drifting between political parties. This is also a particularity of the political system in Taiwan.

Why it is that swing voters occupy a certain proportion in research into Taiwan's democratization? First, in terms of culture, Taiwan is dominated by Han culture. Han culture focuses on the Doctrine of the Mean, with morality not thought of in individual terms. Because of the two extreme poles of green and blue, whether left or right, good or evil, the view that one is in the middle is thought of as fair and balanced.

We might also take a historical point of view. During both the Japanese and KMT colonial periods, the "nail that stuck up was hammered down."⁴³² The possibility of being purged for one's political beliefs was not impossible, and nobody could be sure that democratization would be successful, and that this would sweep political persecution into the dustbin of history. Being a swing voter, then, may mask fear of political repression, with fears that telephone polling was secretly being recorded or other fears. Of course, there was also the possibility that telephone polling would decide who was up for election. But this might be one reason for fearing telephone polling.

⁴³⁰ Chen Lu-huei and Chen Ying-nan, "Di wu zhang taiwan zhengdang xuanmin jichu de chixu yu bianqian" in 2012 nian zongtong yu lifa weiyuan xuanju: Bianqian yu yanxu, (Taipei: Wu-Nan Book Inc., p. 125-56. p. 144. The paper discusses the history of the telephone questionnaires used by National Cheng Chi University, as integrated with survey data from 1996, 2000, 2004, 2008, ad 2012.

⁴³¹ By "normal periods," this refers to how, when analyzing the strategic and conflictive group in society, there is no way to substantively count members of each group at any given time. One can only ascertain who part of which group is at the moment of voting. At other points, whether through using surveys or other means, we can only create estimates.

⁴³² During the martial law period, there was even a term, the "second human resource offices" (人二室) which referred to how in government institutions, schools, government-run enterprises, and some private enterprises, there would be some apparatus set up for regulating the thought and ideology of members. Up until October 14th, 1992, after the passage of the Political Personnel Regulation Guidelines (政風機構人員設置條例施行細則), the term, "second human resources office" was changed to the "political wind room" and the materials previously gathered through "second human resource offices" were destroyed. The author saw what were known as AB Cards containing individual security files, including comments on elementary school teachers, during military service from 1997 to 1998.

Given the above results, we might come to the following conclusions about Taiwan's swing voters from the standpoint of strategic and conflictive groups. The following points are worth discussing.

1. In theory, the strategic and the conflictive group should divide society into two. On the one hand, the ruling party served as the core of the strategic group and, on the other hand, the opposition party served as the core of the conflictive group. The relation between different social units in the strategic and conflictive groups was never everlasting. As described by democratization theory, this concealed the necessary contestation between the two, as well as the adjustment of the social position of both.

In order to become the ruling party, the strategic group must have to be a majority in society, but a ruling party could never *always* be a ruling party. The conflictive group which opposed it also had to be a minority, with a predetermined conflict with the strategic group. With victory, the conflictive group would become a strategic group, with the opposition party becoming a ruling party. This, too, was true of related social elements and their supporters. In other words, the overall social structure was divided between the strategic and conflictive group, but there was the possibility of shifts between the two and the two exchanging positions.

2. Society is divided into strategic and conflictive groups according to this theory and the existence of swing voters cannot be understood as the existence of a third group outside of strategic and conflictive groups. Swing voters may appear in telephone voting, with telephone voting used as a means of sampling a minority to understand the views of a majority. In term of the results of elections in Taiwan, voter rate is over 50%, and more recently, this can be as high as 80% in some electoral districts. The amount of invalid votes or non-voters is disproportionate to the amount of swing voters. This is a precondition for understanding the results of telephone voting.
3. In understanding the strategic group of the pan-Blue alliance and the conflictive group of the pan-Green alliance, one can understand how many supporters aligned with each side. As seen in Chart 5.16, to use the example of private sector workers, at least 34.5% identified with the strategic group and at least 13.8% identified with the conflictive group. As for those not inclined to be part of a specific group, at the most, private sector workers of the strategic group were 86.2% compared with 13.8% percent of private sector workers of the conflictive group or, at the most, this was 65.5% to 34.5 % in the conflictive group.
4. As such, unaffiliated swing voters represent the overall social space to organize for the strategic and conflictive groups. Or, to speak more plainly, swing voters were the total number of supporters that could strive to be their own group. In looking at the data from this point of view, in the eight occupational categories in Chart 5.16, the occupations with the larger numbers of swing voters are those that both the strategic and conflictive groups fought for. The largest groups among swing voters were private sector workers, students and others,

fishermen, forestry workers, and farmers, managerial and professional workers in the private sector, office workers in the private sectors, and members of the military, teachers, and public servants.

As explained this way, increasing the amount of support from the conflictive group was the most effective strategy. As such, for the DPP, at the heart of the conflictive group, it would have made sense to push for labor-related policy, with the aims of becoming the ruling party in society.

For the DPP, workers provided the votes needed during elections, but it wasn't only that. For a political party in contemporary economic society, one also had to have considerations regarding the long-term survival of the party. To put it another way, a political party needed votes from different sectors of society if it was to survive, and operate in the long-term. As such, political parties also needed to consider how to attract the support of the capitalist class and had to weigh the conflict of interests between capital and labor. The DPP tried to do both during the democratic transition. For the newly formed DPP, this might have been too heavy a burden.

In evaluating the results, the DPP chose to pursue policies aimed at development, moving from hoping to maintain support from workers to hoping to expand support from capitalists. Chang Chun-hung, who was then the secretary-general of the DPP, advocated that if the DPP was to become a political party that wished to obtain political power, it could not only be a political party of workers and farmers, but that it had to obtain support from all of society.

Consequently, the DPP began to rely on the greater support of capitalists.⁴³³ This decision led to two shifts in the conflictive group. On the one hand, the DPP's supporters did not only come resemble the KMT in terms of social structure, but as seen in Chart 5.15, like the KMT, it tried to fight for political legitimacy in order to try and become a party of the people as a whole. But, on the other hand, like the KMT, which existed in the strategic group, it gave up on aims of expanding politically among the working class, creating space for workers' movements in Taiwan.

In terms of social embeddedness, the KMT brought the ROC Constitution with them from China. In the ROC Constitution, workers' organizations were specified, with industrial and occupational groups set up for capitalists and workers to vote. Correspondingly, these became sites of mutual contestation between workers and capitalists.

But with the arrival of the KMT government in Taiwan after the Chinese Civil War, for the sake of preserving its political vision and political legitimacy, this led to a distortion of the representative system. Representatives for Taiwan were in the minority, with no real equality in elections. This led to a lack of faith in Taiwanese

⁴³³ Chang, Chun-hung (ed.). 1989. *Dao zhizheng zhi lu: Difang baowei zhongyang de lilun yu shiji*. Taipei: Nanfang congshu chubanshe. (張俊宏(主編)(1989)。到執政之路:「地方包圍中央」的理論與實際。台北:南方叢書出版社。)

society toward the ROC Constitution. Due to this, the decision was made to abandon the original design of the system during democratization.

On the other hand, this reflects the parasitic nature of the KMT, covering up colonial culture and the political form of colonialism, as bound up with colonial society and the social structure behind it.⁴³⁴ With the development of Taiwan up to the point of the democratic transition, this was still the early stages of learning democracy.

With the expansion of political freedoms overnight, it would require a longer period of time for democratic institutions to take root, so that members of society could accumulate enough social experience of democracy. With society experiencing a rapid transition and amendments to the Constitution completed in a short period of time, many social conflicts were masked, leaving them ticking time bombs.

So in terms of this analysis, with the obstruction of the original paths by which workers could participate in politics, other issues stem from the remainders of the social structure which remain from the KMT's parasite-colonial behavior. This is in terms of political inequality on the basis of bloodline, and the conflictive group having to confront the DPP's shift toward being a party of the people as a whole. The two parties influenced each other, but this led to workers not being able to politically coalesce during the democratic transition.

Workers were marginalized by both parties, there being nothing that workers could do about this issue. With class issues occupied by racial issues, this led provincial origin to become a source of conflict between the strategic and conflictive group which lasts to this day. As such, in attempting to resolve social issues, class issues were occluded in favor of racial ones for workers in Taiwan. What could be done about this? In confronting marginalization by both the strategic and conflictive groups, were there no other political possibilities?

5.3.2. The emergence of a workers' party and its incompleteness

According to Lipset and Rokkan's theory of the development of social parties, contemporary political parties are a historical product of national and socioeconomic development.⁴³⁵ In the process of modernization, societies confronting issues regarding political divisions, create space for political parties.

With the political revolutions of the 18th century, the changes in the political system included the rise of political parties. This had a large influence. Revolutions reflected splits in ethnicity, language, and religion, and the industrial revolution led to class divisions emerging in society between workers and capitalists. As such, workers' parties and communist parties formed.

The DPP began from Taiwan's democracy movement, as the core of the conflictive group, but with the lifting of martial law and large changes in society, the class

⁴³⁴ See chapter Table 4.2: "Colonial", "Settler," and "Parasitic"

⁴³⁵ Seymour Martin Lipset and Stein Rokkan, "Cleavage Structures, Party Systems, and Voter Alignments," in *Party Systems and Voter Alignments: Cross-National Perspectives* (Free Press, 1967), 1-64.

responsibilities of the DPP during this period of time ended, and the DPP confronted pressures regarding maintaining itself as a political party. Some members began to leave the DPP and stand on their own.⁴³⁶ But subsequently workers, participants in the labor movement, and intellectuals began to overcome the conditions of the White Terror, and attempted to set up labor parties. Workers in the conflictive group can serve as proof during Taiwan's democratic transition of the maturity of Taiwan's democracy, in attempting different forms of political participation, equal to other social groups in society, and freely competing to try and improve workers' conditions in society.

As touched upon in the social embeddedness described earlier, the KMT had long maintained a parasitic existence in terms of the economy, cultural, education, and which forced the island into an isolated state. While society had advanced to the point of democratic transition, Taiwan lacked corresponding cultural and ideological shifts, though these gradually appeared. In confronting the changes in the Constitution during the democratic transition, whether the conflictive or strategic groups, both sides were impatient to complete their work within a short period of time. This papers over the generational shifts which occurred in society during that time, because this led to a narrowing of culture. This may explain something about the changes in that period.

From the amendment of the Constitution in 1991, political reforms took place regarding the National Assembly and legislature. With regard to the political participation of the people, with the opening up of press freedoms, the lifting of martial law, and the elimination of Article 100 of the criminal law section of the Constitution, there were more means for people to participate in politics this way. Society was overflowing with hopes for freedom, and though workers had lost their constituent seats in the legislature, but now they could form a political party, actual unions, and this could allow for participation in politics.

After the lifting of martial law in 1987, Wang Yi-hsiung, who was originally a member of the DPP, formed the Labor Party (工黨) with other supporters. Though the party was formed with the aim of connecting workers' struggles, the party confronted issues regarding direction independence and unification. With splits emerging in 1988, Luo Me-wen led to followers to form a second party also referred to as the Labor Party (勞動黨). Although forming a labor party was with the aim of changing the political situation in Taiwan, up to now, in local elections, and both have won some seats in local elections, they did not win seats in the central government.

Workers' parties in Taiwan have been unable to escape the split between sentiments for independence versus for unification with China through using class

⁴³⁶ On July 23rd, DPP founding member and then-Examination Head Yao Jia-wen gave a talk at the ERCCT. Many people asked about the founding of the DPP. He responded that the dangwai movement had one aim before the lifting of martial law, which was to obtain political freedom, but that after the founding of the DPP, this led the oppositional force to become a social force that could not be repressed. But because the aim of lifting martial law had been listed, different politicians with different views could form their own parties, and they didn't need to stay in the DPP.

as a way to attract workers' support. As a result, the competition between the KMT and DPP continues to obstruct paths for political participation by workers' groups. The independence/unification split is stronger than class consciousness, with no third path in society. The working class is forced to depend on the core political parties of conflictive and strategic groups. Under this kind of social structure, were there no other possibilities?

Returning to this question, we must evaluate the process of democratic transition. After the lifting of martial law, newly formed parties were institutionalized. In other words, the democratic transition led to workers' parties appearing in Taiwan, but why could they not grow?

1. Institutionalization of Telephone Polling, Interviews

As described, workers' parties did appear in the course of Taiwan's democratic transition but they were unable to become part of the mainstream of society and they had to rely on the strategic and conflictive groups instead. Which is to say, the working class could not support any party of the working class and could only pick the KMT or DPP.

Although workers could influence votes and so it made sense to try and appeal to them, the policies adopted by both parties and their substantive behavior did not focus on workers. Many scholars have researched social development during this period, analyzing the differences between the formation of the strategic and conflictive groups, hoping to find the answer for this in their class composition. Given that both sides require legitimacy, this is why both groups clash.

However, this may have led to a blind spot in research. This conceals that the aim of research then becomes focused on researching the emergence of two large parties. Telephone polling, questionnaires, academic arguments, interviews, and the media, presume the significance of only two parties and it is easy to forget the existence of smaller parties.

2. Social Class as Easily Conflated with Other Social Attributes

Indeed, to this extent, one notes that social class is easily neglected by researchers in favor of provincial origin, geography, cultural background, education, economic position, and how these mutually interact with each other. As such, class position becomes unclear in much research, not necessarily due to interdisciplinary research, but through the researchers' personal viewpoint becoming conflated with their research aims. Likewise, social research has set historical limits, with non-scientific skepticism. One sees very different conclusions from much research in Taiwan.

For example, in analyzing the proportion of support of differing political parties, Lin Chia-lung noted that petty bourgeoisie and workers tended to more strongly support the DPP, so obtaining a result pointing to a link between class and choice of political party.⁴³⁷ As observed in the research of Chu Yu-han, Zhang You-zong,

⁴³⁷ Lin Chia-lung, *Guomindang yu min jin dang de qunzhong jichu: Taiwan xuanmin zhengdang zhichi de bijiao fenxi*, p. 130-131.

and Hu Ke-wei regarding elections in Taiwan and Hong Kong in 1995 and 1998, in analyzing the three social elements of “the capitalist class” (including capitalists, new and old bourgeoisie), the “near-capitalist class”, “farmers and workers,” this led to the conclusion that levels of voting were low in both Taiwan and Hong Kong⁴³⁸.

Such research primarily focused on the time of elections. But given the high tensions in society during elections, in using this research to prove the high mobility of class in Taiwan, this comes to an overly narrow conclusion.

We should note that there were many changes in class composition during Taiwan’s democratic transition and it was very easy for various social attributes to interact and bring about changes. In trying to understand this interactions, this will lead to different conclusions, yet we cannot deny the existence of class as a cohesive force in newly formed political parties. Namely, it may have only been during the historically short period of elections that class became masked, but in a macroscopic view of society, there is no way to explain the social movements or the disconnect of core political parties in later periods.

3. The Mobility of Class during Social Transformations

Given that the notion of class is easily occluded, in separating out class divisions to discuss the social structure and different group composition in Taiwanese society, one can investigate whether in the process of Taiwan’s democratic transition, workers were able to collectively organize. On the other hand, one will not be led to a similarly narrow conclusion.

In analyzing the social structure of political parties, Wang Fu-chang observes not only a weakening in the authoritarian system as well as other shifts in social structure how this also affected politics.⁴³⁹ He uses “working time”, “working freedom” (occupational), “commuting time,” and “marriage status” as social “structural limits” for his analysis.⁴⁴⁰ His research findings discover that working times and commuting times strongly influence the manifestation of different occupations in social movements. In other words, workers’ working freedom and time will create limits in terms of social structure. The more unfree workers are, the lower their ability to participate in social movements. This illustrates how workers were limited in their participation in politics by the system, as a product of regulation from the social structure, not that they didn’t participate in politics.

⁴³⁸ Chu, Yun-han, Yu-tzung Chang and Ko-wei Hu. (December 15, 2011). *Didu jiejixing toupiao beiho de zhengzhi yihan: Taiwan yu xianggang liangdi de bijiao*. Symposium on “Taiwanese Politics after the Political Transition”, Annual conference of the Taiwanese Political Science Association by National Chengchi University, Taipei. (朱雲漢、張佑宗、胡克威(2001年12月15日)。低度階級性投票背後的政治意涵：臺灣與香港兩地的比較。臺灣政治學會年會暨『政黨輪替後之臺灣政治』學術研討會·國立政治大學)。

⁴³⁹ Wang Fu-chang, “Jiegou xianzhi, yundong canyu yu yiyi xing yishi: Taiwan minzhong zhengdang zhichi de shehui jiegou jichu chutan” in 90 niandai de Taiwan shehui, shehui jiben bianqian diaocha yanjiu xilie er (xia) (Institute of Sociology, Academia Sinica, 1997), 249-94, <https://www.ios.sinica.edu.tw/ios/people/personal/fcwang/fcwang1997-2.pdf>.

⁴⁴⁰ According to the worker's freedom of control over the work process and working hours, the respondents are divided into six occupational categories according to their work. Wang Fu-chang, p. 279.

Alfred Ko-Wei Hu, Lin Thung-Hong, and Raymond Sin-Kwok Wong have analyzed the phenomenon of class voting between 1992 and 2004, hoping to resolve the contradictory findings of the academic world⁴⁴¹. On the one hand, they believe that class is important in politics, but also hopes to address the key political cleavages in Taiwan regarding national identification and ethnicity. They use the national identification, life background, and views on cross-strait relations of their respondents to analyze the phenomenon of voting and shifts. In including this other factors, this does not just focus on class, but this comes to the finding that Taiwanese vote already not based on ethnic identity, nor as a product of national identification or views on cross-strait relations.

Such research findings come to the conclusion that with the consolidation of the people after Taiwan's democratic transition, the role that class interest plays in how Taiwanese voters vote has increased. They predict that with the consolidation of democracy and the stabilization of the state apparatus, voting based on ethnicity will increasingly decrease. In other words, with Taiwan's democratization, class interest will replace ethnic consciousness, and the strategic and conflictive groups will not be blind to core political party's slogans. With the appearance of mobilization capacity, parties will have to propose policies closer to the actual lives of classes in their attempt to become the strategic group.

4. Links between Workers and Parties of the Working Class

In analyzing social structure as a key factor of support for political parties in Taiwan, why is it that workers didn't support the Labor Party? The following is a list of parties registered with the Ministry of the Interior which refer to workers' issues directly in their name, suggesting that they should be parties of workers, or aim to protect workers' rights. This is not to ignore that many parties in Taiwan try to represent workers in Taiwan, since most parties claim to affirm the equality of workers, just this misses the point. For example, the 141st registered party in Taiwan is the Taiwanese Communist Party, the 147th is the ROC Communist Party, the 156th is the Taiwanese Democratic Communist Party, and the 315th is the Taiwanese People's Communist Party, and etc.

Chart 5.17. : Parties registered with the ministry of labor that refer to workers in their name

Party Number	Party Name ⁴⁴²	Status	Date of Establishment	Location of Registered Address
4	Labor Party (工黨)	Normal	1987/11/01	Taipei
15	Workers Party (勞動黨)	Normal	1989/03/29	Taipei

⁴⁴¹ Hu Ko-Wei Alfred, Lin Thung-Hong, and Wong Sin-Kwok Raymond (2009), "The Rise of Class Politics? Democratic Transition and Class Voting in Taiwan, 1992-2004," paper presented in the Friday Forum at the Institute of Sociology of the Academia Sinica, Taipei.

⁴⁴² Most parties do not have English names and so were self-translated by the author.

68	Chinese Labor Party (中華勞工黨)	Lost Contact	1991/10/25	Taipei
69	National Labor Party (全國勞工黨)	Lost Contact	1992/05/01	Taipei
101	Taiwan Labor Party (台灣工黨)	Normal	2003/04/27	Taipei
104	Civil Servant and Teacher Alliance Party (工教聯盟)	Normal	2004/03/21	Taichung
126	Free Labor Party (自由工黨)	Normal	2007/05/01	Taipei
142	World Workers' Party (世界勞工黨)	Normal	2008/11/01	Taipei
198	New China Labor Party (新華勞動黨)	Normal	2011/10/04	Taoyuan
250	National Socialism Chinese Labor Party (中國國家社會主義勞工黨)	Normal	2013/12/01	Taipei
255	Labour Party (勞工黨)	Normal	2014/06/20	Changhua
263	Happy Workers' Party (幸福勞工黨)	Normal	2014/11/02	New Taipei
270	National Happy Workers' Party (全國幸福勞工黨)	Lost Contact	2015/03/15	Keelung
299	Workers' Democratic Alliance (勞動者民主連線)	Dissolved	2016/04/16	n.a.

Source: Ministry of the Interior National Political Organizations website

Chart 5.18. : National political organizations related to labor registered with the Ministry of the Interior⁴⁴³

Organization number	Name of national political organization ⁴⁴⁴	Status	Date of establishment	Location of registered address
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⁴⁴³ In preparing to formally establish a party from an organization, one needs to first register as a national organization and obtain the necessary legal resources. As specified in Line 43 of the Political Parties Act, after being registered for a national organization for two years, one can convert one's status to a political party. All national organizations can eventually become political parties, which is why these statistics are combined.

⁴⁴⁴ See footnote 446.

21	Commercial Unification Association (商工統一促進會)	Industrial Promotion	Normal	1992/04/24	Taipei
41	Workers' Association (工人民主協會)	Democratic	Normal	2003/04/27	Taipei

Source: Ministry of the Interior National Political Organizations Website

Up to 2019, of Taiwan's 344 political parties, there were a total of 14 that directly referred to being a party of the working class in their names. Four were formed directly after the lifting of the ban on political parties in 1987, and the other ten were formed during later periods of democratic consolidation. With the lifting of the ban on political parties, this led the working class and other individuals to attempt to carry out actions aimed at political participation and this led to the earliest formation of these workers' parties.

Because of lack of organizational capacity, the political system, and geographic factors, this could not allow for these parties to build strong foundations all across Taiwan, corresponding to the fact that workers were more powerful in urban centers. In other words, the economic structure of Taiwanese society is that the north focuses on commerce and the south on industry.

Kaohsiung in southern Taiwan has the highest proportion of workers and should it should have been where workers began to organize. So the DPP's labor party section was set up in Kaohsiung. But one notes that these parties were all registered at the party headquarters, which were generally in the place where there was the most commerce and where there were the most members of the capitalist class. This is a question worth pondering.

What's more, in investigating the aims and platforms of each party, what may be a surprise is that one will find that although the claim is often that workers' issues and labor-industrial relations should replace the central split between the DPP and KMT on independence-unification issues, these parties generally promoted unification with China. Moreover, ethnic issues were focused on more than class as the central contradiction.

In other words, even during the democratic transition, the newly emergent working class might have been less close to the KMT in terms of position. And for the KMT, which depended on business for support, its social composition was different. As such, given these contradictions, on the one hand, it's difficult to classify these groups as part of the strategic group or conflictive group. This is also illustrative of the conflicting political situation that workers faced.

As described previously, given the isolation of the island in terms of academic studies, and the narrowness of culture, the appearance of working class parties reflected what the mode of labor-capital relations demanded. In other words, working class parties were a product of social links in the space between labor and

capital, reflecting the state of society's class consciousness of labor-capital relations.

Given Taiwan's isolation, the isolation of Taiwan from the international workers' movement was quite strong. In addition, the KMT was contesting the "Chinese" Communist Party's historical viewpoint. As such, in order to justify the legitimacy of labor political parties, the majority chose Communism, which had been banned during the authoritarian period, to be the defining characteristic of their conflictive group. "Unification" was opposed to "independence," "authoritarianism" to "democracy," "right-wing" to "left-wing," "top-down" to "bottom-up," "waisheng" to "bensheng," "north" to "south". These two became part of binary thinking regarding "right" and "wrong," "good" and "evil", "labor" as opposed to "capital," and the two seen as the extremes of Taiwanese politics. The two were seen as permanently conflicting with no way for them to cooperate.

The manifestation of a labor party must be correlated with social structural and sociohistorical changes, and the narrowness of this political party likely stems from how a generation was raised. The cultural narrowness of the workers' party reflects how a generation was narrow-minded in thinking, reflecting the historical viewpoint of the authoritarian period. The changes in society during the democratic transition led to some liberalization, but this could not combat all of the vacuum in thought which existed during the time. Old thinking did not correspond to the new society, and the new age was not yet born.

At the time, the NTU philosophy department incident,⁴⁴⁵ the National Cheng Kung Communist party Incident,⁴⁴⁶ the Cheng Kung University Mainland Club,⁴⁴⁷ and the Chen Wen-chen Incident frightened academics and intellectuals into shock.⁴⁴⁸

Many of Taiwan's highly educated during that period of time focused on the sciences and engineering, not willing to study the humanities. This was because that due to policies of national development, conditions for advancement were better for those in the sciences, and parents feared their children studying political

⁴⁴⁵ This took place between December 1972 and June 1975, with the NTU campus coming under the scrutiny of the Taiwan garrison command. Many NTU Philosophy Department students were dismissed and the department was shut down for a year.

⁴⁴⁶ In November 1971, Cheng Kung University students set up a Cheng Kung University Communist Party and established links with Tamkang University, Fu Jen University, Chinese Culture University, Feng Chia University, Kaohsiung Commercial High School, ROC Naval Academy, and Air Force High School. A number of arrests were made in February 1972, with many students sentenced to 15 years in prison. Cheng Kung University only issued diplomas for these students 45 years later in February 2017.

⁴⁴⁷ An activity center was set up on Cheng Kung University in 1971 and it was the administrative system that was in charge of managing student groups. The Mainland Club took the role of secretary-general for the student group representatives, but because of the elected system for student representatives, the Cheng Kung University campus publication came into conflict with the school administration. In February 1973, many student representatives were arrested at graduation and sentenced to three to five years in jail. Similar to the previous Communist Party case, diplomas were also issued for these students 45 years later in February 2017.

⁴⁴⁸ Chen Wen-chen was an outstanding student since young; he was #2 on the exams for National Taiwan University from Jianguo High School, then studied for his Ph. D at Michigan State University in America, and became a professor at Carnegie Mellon University. He was concerned with Taiwanese social movements for a long time and in July 1981, the Taiwan Garrison Command arranged to talk with him. The next day, his dead body was found on the National Taiwan University campus, with the cause of death unclear, though he had been thrown off a floor-storey building.

science, sociology, philosophy, and other humanities subjects in order to avoid similar fates.

During authoritarian times, academics could only teach the ideology of the party-state, leading to a lack of diverse viewpoints on society. All individuals knew were capitalism and anti-communism, but they were not aware of the distinction between Communism and Marxism, and just heard about democracy and socialism without knowing the difference between socialism and democracy. As intellectuals at the time were disconnected from international thought but tried to take advantage of the opportunities provided by the democratic transition, this became a contradiction. As workers proved their mobilization capacity, opinion leaders stood out as the heroes, but there was a lack of a movement basis to attract supporters. Without the ability to expand class identification as a basis for social stability, this occluded workers' political participation.

5.3.3. Despite appearances, obstructed organization for labor organizations

Outside of the emergence of working class parties, during the period of democratization, workers' organizations that demonstrated a high level of activity included unions and labor movement groups. In terms of social structure, if workers comprised various social elements, political parties formed a group political identity.

As such, unions and workers' movement groups served as an intermediary between workers and political parties. Which is to say, in analyzing the interaction between workers and political parties, the majority of workers accepted the political mobilization requests of political parties. Before elections, they would support those political parties.

That is, on the one hand, unions "accepted" the political mobilization requests of political parties and would support political parties during elections. On the other hand, political parties also distributed resources to workers through workers' movement groups and unions, particularly to support unions during political struggles.

In analyzing the growth of the political parties of the conflictive group in Taiwan, political parties in Taiwan and labor unions are historically quite close. The social characteristics of workers' movement groups are linked with and reflect the social characteristics of workers in society. Compared to the institutionalized labor unions of the strategic group, unions of the conflictive group were more usually newly-formed, very political, and often times were not yet legally registered.

1. Analyzing the Social Relations of Labor Unions of the Conflictive Group as Mediators

These newly formed labor unions were established as new trade unions in enterprises which already had preexisting-government-affiliated legal labor unions, in order to avoid the close relations that labor unions had with the strategic group during the authoritarian period. Or they may have hoped to take over preexisting legal labor unions through elections in order to break the control

that the ruling powers had over such unions. The legalized unions of strategic groups were formed when the enterprises they existed in were formed, in order to accommodate labor law.

Labor unions of the conflictive group were gradually formed during lifting of martial law, much later than unions of the strategic group. Taiwan's labor laws state the right of workers to organize unions quite clearly, while unions actually formed as control strategies by the ruling party. But the reality is that internal company unions were used to discipline workers. As such, there were no real unions in the majority of companies.

That these unions were newly formed reflected the characteristics of the conflictive group. Not only did the development of social elements of the strategic group reflect their longer development and higher internal stability, this reflects the effectiveness of their social mobilizations.

But this also reflected rigidification. Not all members of workers' organizations were actually workers. The role of mediators was played by those who communicated between the two extremes of workers and political parties, leading to certain dangers.

While the conflictive group was newer than the strategic group, on the one hand, this reflects also that the social elements which comprised it were not as institutionalized as those with the conflictive group. But in comparing the mobilization capacity of both sides, if the relations of all social elements were stabilized, this was not a direct sign of their mobilization capacity.

Cross-factory labor unions became more and more common with the development of the economy, as there were more small-to-medium sized enterprises becoming large-scale enterprises or transnational companies, or through the merger of different smaller unions. This led the focuses of these companies doing business to expand. And the unions could not be confined to any specific industry.

For example, with the expansion of the construction industry to also require middlemen and the involvement of the finance sector, or the expansion of the department store industry to include warehouses and distribution.

With the expansion of business, this would seem a good opportunity to expand unions originally confined to individual factories, correspondingly. Yet after unions spread across cities and prefectures, it was impossible to normalize trade union activities in different regions of Taiwan even in the same enterprise. In other words, in terms of trade union structure, unions were seen as organizations that should serve as bridges between workers and capitalists. But in facing the expansion of unions across multiple industries, it proved difficult to achieve consensus among workers as part of one trade, given the different needs and demands of different industries.

In terms of demands for representation in different electoral districts and vote mobilization, having just one union also led to a disconnection from social development. When a single trade union in an enterprise could not link capital and

labor in the economy, nor could it prove capable of linking political parties and workers, the structure of such unions were forced to change, shifting such unions toward becoming hierarchical trade organizations.

This also serves as proof of how economic development led the course of Taiwan's democratic transition. Political mobilization was regulated by law and the inability of single labor unions to cope with such pressures led union organizations to undergo structural changes. Industrial differentiation and geographic development became increasingly visible as labor unions shifted to becoming hierarchical organizations.

Examining the many large labor unions which existed in the strategic group during this time, such as various public-sector labor unions, comparatively speaking, conflictive group unions tended to be located in many geographic areas but as specific to a particular industry. As the workers' movement and political support became more focused on specific industries or geographic areas, this proved a severe threat to these unions, because of the need to compete against the strategic group in electoral districts. The New Taipei City Taxi Drivers' Union is one example.⁴⁴⁹

Different social structural factors shifted, forcing factory unions to leave space for new unions of the conflictive group. This is also why the Labor Union Act amended law regarding corporation unions.

Compared with the development of unions in other countries, labor unions of the conflictive group in Taiwan were more political in terms of their social characteristics. Labor unions existed within a corporate system and the most significant aim of forming a labor union was to organize workers in a factory in order to try and organize protest in order to secure better conditions from capitalists.

This was because workers in factories naturally contested their employers for better conditions, gradually increasing their social links to other domains. Or it may have been that for Taiwan, which had a feudal relation to Japan and then to China, labor unions were not completely self-organized by workers. More often unions were set up to fulfill the demands of the Labor Standards Act. Such unions were guided by economic management or through political mobilization, as described in the previous discussion of strategic groups and their social embeddedness.

With the formation of labor unions under this basis, this caused the relations of the majority of labor unions in Taiwan to be different from other societies, in that the relations between the union and workers was not normal. Sometimes an organization only had the appearance of being a union. Moreover, during the democratic transition, conflictive groups were primarily focused on "mainlander"

⁴⁴⁹ New Taipei City was previously known as Taipei County. The KMT controlled the mayor/county commissioner position from 1945 to 1989, but the DPP held this position from 1989 to 2005. One notes that DPP supporters seemed everywhere then, particularly among taxi drivers, with taxi drivers hanging flags of DPP candidates on their taxis. As they drove along, they served as a grassroots form of advertising for the DPP.

versus “native Taiwanese” issues in Taiwan, leading the strategic aim of socially conflictive groups to be based on ethnicity, in which the difference between the waisheng ethnic group and the bensheng ethnic group would not take precedence in terms of social consensus.

Consequently, though there was the appearance of self-organized labor unions during this time, the conflict between political parties remained focused on ethnicity. As such, labor unions could be either a force which allowed for greater mobilization by workers or obstructed their mobilization.

On the one hand, some unions were relatively homogeneous in the composition of their members. For example, unions with members of the same ethnic background from the same county or prefecture allowed for faster organization, as well allowed them to more easily pursue formation of political alliances.

On the other hand, workers in some unions faced a more complex situation. In traditional unions in large-scale companies, ethnic divisions between union members was a challenge that needed to be overcome. There would be controversy about elections or factionalism within the party, and union members would call in affiliated political parties or politicians to provide assistance. It was not easy to achieve consensus among members internally sometimes.

At times such as these, ethnic consciousness in the union obstructed the ability of unions to mobilize. This remains an issue to this day. For example, to cite the example of the Tatung Labor Union,⁴⁵⁰ labor union cadres took up their posts under orders from the company owners after the union was established in 1959.⁴⁵¹ Labor unions were established only for the sake of establishing legal requirements and there were no links between the union and other labor unions during the authoritarian period.

But with the later social changes in Taiwan, there were those among the Tatung Labor Union cadres who were left-wing and those who were right-wing, and the two contended for power. In 1988, protests broke out regarding yearend bonuses, with assistance from the Labor Party, and in the next year, 1989, the labor union elected Pai Cheng-hsien as the director of the union. This overturned thirty years of history in which the union had been controlled by the management. As a response, in 1990, Tatung management illegally dismissed Pai, and shut down the labor union offices, setting up a new pro-management union.

This forced Pai and others to find a new set of offices and to seek assistance from politicians and political parties. It was only after Pai's dismissal was ruled to be illegal in 1996 that in 1998, the labor union could return to their original set of offices. Afterward, Pai later entered the Taipei city government, the Taipei prefectural government, the Labor Affairs Council, the Executive Yuan, and took

⁴⁵⁰ The Tatung Company began from an old Taiwanese electronic store. The company was founded during the Japanese colonial period in 1918. It's most famous products are Tatung electric cookers and its total employees is as high as 35,000 people. The company union was founded in 1959, with its members reaching more than 10,000 at their height.

⁴⁵¹ From an interview with Pai Zheng-xian on May 2nd, 2012.

up responsibilities in the Presidential Office under the DPP president Chen Shui-bian regarding labor, social welfare, economic development, and other posts. This points to the close ties between labor unions of the conflictive group and the political system, with union cadres in the conflictive group also advancing their careers through organizing.

But are the capacities of a labor union sufficient if they are not yet registered? In the course of the development of labor unions in Taiwan, this question reveals its uncertainty. That politicians in Taiwan are so reliant on executive power has become the largest cause for changes in trade union organizations.

The liberalization which occurred during democratization not only affected political parties, but it also caused legal labor unions to no longer have any way of providing services for their members. The position of labor union cadre had become a means for members of the strategic group political party or strategic group politicians to advance their careers. The ability of such individuals to represent workers was already in question from the beginning.

As such, with the expansion of the economic system described previously, and the element of external change upon labor unions, this led to splits in the structure. Given the rigidity of labor law, labor unions in companies could only maintain their appearance as labor unions, and these legally-stipulated unions could not develop normally. Many union offices, self-help organizations, workers' associations, brotherhood associations, and union cadres linked with unions external to the system to form the core of labor unions in different cities and prefecture.

In order to emulate the pyramidal political system, this led unions to develop hierarchies, reminiscent of the political system during the democratic transition.

Furthermore, Taiwan's compulsory membership system for unions was originally in imitation of the labor union system in America, with workers compelled to enter unions and to pay union dues, as a way to continue the maintenance of unions and preserve their legitimacy.

But the results of compulsory membership of unions during the authoritarian period was that union dues were used for personal luxuries by union cadres.⁴⁵² Union members who were compulsorily part of labor unions could only participate in some elements of trade union organization. Because of this situation, company unions had no way of joining other unions and, second, the aims of union cadres and workers did not match.

Workers were forced to join labor unions but could not participate in union activities. And so in Taiwan's labor union system, workers were simply a "vote army" for the ruling party.

During the authoritarian times, the ruling powers were happy with this state of affairs, also illustrating that for the ruling powers, unions were simply a way of managing workers. Unions were for the ruling powers, not for the workers. Unions

⁴⁵² Interview with the Keelung chapter of Raging Citizens Act Now on April 14th, 2012.

also served as a means of cutting off close relations between ruling party of the strategic group with publicly-owned and party-run company unions. Apart from weakening national unions and the ties between their members, the union system confronted structural pressure, and labor laws at this time continued to promote integration. The only national union allowed was the Chinese Federation of Labor, which became the site of contestation.

2. Conflictive Group Social Movement Groups and their Social Role

Social changes were reflected in the emergence of “labor movement groups.” So-called labor movement groups did not actually consist of individuals who were workers and were not constituted as unions, but were usually individuals who were intellectuals, students, and journalists, who hoped to promote greater class consciousness. The most-well known and influential of these groups is the Taiwan Labor Front (台灣勞工陣線, or in short 勞陣), which emerged from the Taiwanese Labor Legal Support Group (台灣勞工法律支援會, or in short 勞支會), formed in 1984, which primarily had participants of the dangwai movement and China Tide magazine staff (夏潮雜誌社, or in short 夏潮) as members.

Apart from promoting political democratization and social justice, one also notes that in the case of China Tide, the isolated nature of the island caused a binary split regarding independence and unification. Capitalism was seen as represented by England and America, while those who were “left-wing” also opposed Taiwanese independence, and saw what “left-wing” was as being unification with China. This conflicted with members of the dangwai movement who supported Taiwanese independence. So with the lifting of martial law, and the lifting of the ban on forming political parties, supporters of China Tide left the Labor Legal Support Group, forming the Labor Party.⁴⁵³ In 1992, the Labor Legal Support Group renamed itself as the Taiwan Labor Front, and was clearly affiliated with the left-wing of the DPP.

The Labor Front’s primary aim was to organize workers and provide education, as well as oversight over labor law, to teach ideals of social democracy, and form international connections. The Labor Front takes the stance that unions are a fundamental foundation of democracy and that unions should be more comprehensive, with the view that this will make the nation more democratic. In assisting labor unions and providing union training, they intended to allow unions to act more autonomously. The organization also helped unions with outreach during protests. The Labor Front also dispatches students and young people to take up posts in labor unions, while also attempting to help unions promote class consciousness.

This sort of fieldwork is with the aim of allow workers to gain new experiences and develop new viewpoints, expanding their worldview. For example, the Labor Front organizes small reading groups and talks in the hopes that workers won’t have their awareness of the world limited, as existed during the martial law period,

⁴⁵³ See footnote 447.

to allow workers to understand their positions in society, and not simply see themselves as tools. At the same time, young people and students can learn to be closer to workers and learn from their life experiences. As workers are usually older than students, they can pass on their life experiences, and they might be willing to share their thoughts with younger students. This can be a valuable learning process for young people, allowing them to understand the relation between theory and praxis, and making up for the deficiencies of Taiwan's educational system.

One noteworthy result than many of the students and young people that went through this program decided to go into political work, and so this program has many faithful supporters. This has also allowed workers to have close ties with some political candidates, allowing also for the transmitting of experiences to another generation. Many members of the DPP's New Tide faction went through this process.⁴⁵⁴

Regarding the relation between political parties and labor groups, in 1993, the Labor Front's secretary-general Chien Hsi-chieh stated in an interview, "The DPP doesn't care about the workers' movement. Even if clashes between workers and capitalists are important, the DPP won't come and support us. The DPP is a party led by the interests of small-to-medium sized enterprises....The DPP is stuck on the issue of Taiwanese independence and has no notion of social revolution...in terms of labor policy, it just opposes Chinese workers from the standpoint of Taiwanese independence (in order to avoid Taiwan from being influenced by China). But it does not oppose migrant workers because the pressure of small-to-medium sized enterprise...⁴⁵⁵". He made this critique even though the Labor Front was in effect close to DPP.

The development of the Taiwanese labor movement did differ from that of political parties, not only in terms of political stances but also viewpoints, guided by the course of social development. In 1997, Chien joined the DPP to run as a legislator on the party list, leading deputy chairs Zeng Mao-xing and Wang Wen-xiang and fifty other members of the Labor Front to hold a press conference announcing that they would be withdrawing from the Labor Front and criticizing what they saw as an effort at seizing control of the Labor Front by the New Tide faction of the DPP, which apparently had hopes of using the organization as a political bargaining chip.⁴⁵⁶

In an interview, I asked Chien regarding his roles as a labor organizer and a politician and what the conflict between the two was.⁴⁵⁷ This was how he responded:

⁴⁵⁴ On January 21st, 1997, the Labor Front chairman Pai Zheng-xian and executive secretary Guo Guo-wen said in a press conference, "There are many individuals who after taking up roles in the Labor Front, later ran for public offices and won," but that, "They didn't not win only on the basis of votes from workers."

⁴⁵⁵ Chien Hsi-chieh, *Tizhi wai de gong yun cai shi zhuli*, *Zili Zaobao*, May 3rd, 1993, Sec. Fifth Edition

⁴⁵⁶ "Xiufa, zhengce de fangshui, laogong jieji da fantan," *Laodong zhe zazhi*, January 25, 1997.

⁴⁵⁷ From an interview with Chien Hsi-chieh on April 12th, 2012.

The soil for Taiwan's labor movement is quite poor...though the KMT has been forced to retreat, Taiwanese society still fears leftism and Communism...It's even the case that one is banned from reading Marx in Taiwan's prestigious colleges...Socialism is still foreign to Taiwanese society...

So the New Tide faction (of the DPP; 新潮流) believes that there needs to be external forces from outside...And unions are the largest group of people, the workers' movement being a mainstream social movement....I was also sent to take up a field position...through studying and researching Marxist theory...coming to a set of ideals...I believed that Taiwan needed to become a left-wing socialist country

But the New Tide is not left wing...most are liberals or capitalists...the New Tide is only mutually beneficial to workers and the party...The DPP actually hopes to become a dominant national party, and it won't allow workers to become the leading force of this...I actually became a member of the DPP to try and take up a role similar to the chair of a union in the labor movement...so the workers' movement is only strategically linked to the DPP....

In his analysis of opinion leaders in labor during this time, Xu Guo-gan comes up with the following four categories

Chart 5.19. : Types of labor movement leaders

Type	Representative Figures	Movement Particularities
Democratic grassroots-focused	Chien Hsi-chieh (簡錫堦), Pai Cheng-hsien (白正憲), Kuo Kuo-wen (郭國文), Guo Ji-ren (郭吉仁), Huang Qing-xian (黃清賢), Fan Lai-chin (方來進)	While KMT in power, coalition with the DPP while striving for workers' rights. After the DPP takes power, the strength of protests gradually decreases if DPP makes concessions
Going with the trend-type	Hsieh Shen-shan (謝深山), Li Zheng-zhong (李正宗), Ho Cai-feng (侯彩鳳), Wu Hai-rui (吳海瑞), Lin Hui-kuan (林惠官), Qiu Qing-hui (邱清輝)	Clear distinctions between political parties, with the movements more conservative and rigid compared to political parties. The strength of parties is greater than those of the movement
Conflictive Type	Luo Mei-wen (羅美文), Yan Kun-quan (顏坤泉), Zeng Mao-xing (曾茂興), Lin Zi-wen (林子文)	Clear class consciousness, more radical forms of actions, but more sacrifices
Ideal-focused type	Wang Li-xia (汪立峽), Cheng Tsun-chi (鄭村棋), Wu Yong-yi (吳永毅), Xu Xi-zhong (張緒中)	High educational background, takes no sides in terms of parties, but relatively tragic

Source: Xu Guo-gan, *Analyzing Types of Taiwanese Labor Movement Leaders*⁴⁵⁸

In the analysis of the labor movement on this chart, one notes that many labor movement leaders entered political parties. This again reflects the close links between unions and political parties, lack of other external support due to political binaries, and political experimentalism.

This can be seen in the case of the Labor Party, although this was limited by the shared interest with political parties, and the influence of political parties can be seen on the careers of labor leaders. On the one hand, support from parties helped provide for the development of movement leaders, pushing them to take on roles as political representatives of workers, and allowing parties to absorb more resources from the movement.

On the other hand, regarding the question of whether these movement leaders became politicians, it is very easy to criticize them as only seeking to attract followers, hoping eventually to break from workers. Some movement leaders later left the party after coming to the view from within that the party did not share the same interests or position with workers, or may have joined other political parties, migrating between political parties, suggesting a conflicted place for workers in the political environment in Taiwan.

One notes that, due to the isolated nature of Taiwan, the workers' movement confronted class divisions and the split between independence and unification, and there was contestation about which should be focused on. The discussion of such issues resembles how there were such debates during the dangwai movement, but they were put to the side, with priority focused on combating the KMT. There discussions about whether to focus on class issues or independence versus unification, leading workers to be divided in terms of political views from the beginning. This made it easy for workers to get co-opted by different political parties, or whether they were pursuing personal ambitions.

Political experimentalism refers to how labor movements sought to escape participation only on the level of movements, deciding to directly try and form political parties and participate in elections as candidates. This was with the aim of trying to directly appeal to popular opinion. But this kind of political experimentalism led to distrust within the labor movement, with suspicion regarding whether individuals who had entered politics could truly represent the views of workers.

There were also opinion leaders who decided to enter into labor administration. For example, in 1998, Cheng Tsun-chi took up a post as the commissioner of the Taipei county government's Department of Labor, and later on took up a post in the Department of Labor of the Taipei city government under Ma Ying-jeou of the KMT.⁴⁵⁹ He stated that his motivations were, "To show movement activists outside of the system that there was more than just criticizing from outside the system,

⁴⁵⁸ Xu Guo-gan, "Taiwan gong yun lingxiu teixing fenxi", (MA, National Cheng Chi University, 2006), Figure 6-1.

⁴⁵⁹ Han Shi-xian, "Zhuanfang: Taipei shi zhengfu laogong ju zheng cun qi juzhang jixu zhandou, gongren de liliang caineng zhuangda!" in *Rong ye gonghui lianhe hui xun*, September 15, 2002

but that one could also take power to do things better one's self. The other was to show that the labor movement couldn't just work with the DPP, it also needed to work with the KMT, and the key point was to collaborate rather than rely too much on any specific side."

Consequently, the democratic transition led to many shifts in Taiwanese society. In conflictive groups, with the lifting of the ban on political parties, political parties began to organize. National health insurance was implemented as the ruling party, under challenge, tried to appeal to the public, and workers were allowed to decide whether to participate in a labor union or not, or to organize labor parties or political parties themselves.

On the other hand, that the health insurance system was incorporated into unions may have looked like it would allow workers a way to manage their own resources, but in reality, it led unions to become a way for the social care of the system of the government to make links with unions through the national health insurance system. This led to questions about the ability of unions to maintain their independence, with ties between unions and the government raising questions about what unions should do when they came into conflict with the government.

With the amendment of the Constitution to allow for direct elections but the removal of labor representatives, whether government-run, party-run, or privately run, unions could only request opportunities for political participation from political parties.

In order to alleviate the pressures faced by capitalists, political parties allowed for policies that maintained low salaries and allowed for the importation of foreign labor. But this furthered the gap between capital and labor in terms of which political party they relied on.

Allowing for foreign labor became a way for the government to balance between workers and capitalists, as a means to compel both workers and capitalists to accept the authority of the government. Taiwan had the first migrant worker policies in Asia, and from the standpoint of the political system, the needs of industry needed to take precedence in policies regarding the importation and exportation of labor.

This led to the implementation of policy on foreign individuals entering Taiwan and recruiting labor, involving diplomatic representatives and government bureaucrats, and this led to quotas being set for foreign labor. For the countries that exported labor to Taiwan, this was to their benefit, further serving as a means for the internationally marginalized Taiwan to maintain relations with Southeast Asian countries.

Neither workers nor capitalists were able to influence such policy, leading this to become a labor issue. This was not decided solely through the supply and demand needs of the Taiwanese labor market, but as a tool to bind labor and capital.

Therefore, due to the democratic transformation caused by social externalities in Taiwan, when each social element facing this historical opportunity, there is

actually a delayed "social transfer" phenomenon: although the political system has changed from a single-party government type to a two-party competition type, the effectiveness of democratization may not be able to spread to all social units at the same time. In other words, the social element's development of democratization acceptance, adaptability and democratic consciousness is impossible to be at the same speed of the changing progress. Each social element will show different degrees of democratization due to its own internal and external factors within the group. Just like after the Big Bang in the cosmos, each galaxies will be blown out in different directions, speed and distance due to its individual size, weight, composition, etc. Therefore, the political participation behavior of Taiwan labor during the democratic transition period under the unequal development of the democratization of the political system and the industrial relations system has once again advanced to the result of being regulated in various ways.

6. After 1996: The political participation of workers in Taiwan after democratic consolidation

From 1996 onward, presidential elections in Taiwan changed to democratic elections, formally marking the start of Taiwan's democratic consolidation. Lee Teng-hui, who had succeeded as president in 1988 when Chiang Ching-kuo died, won the first popular-vote presidential election in Taiwan in 1996, and he continued in office in the ninth presidential term in ROC history. Lien Chan was his vice president.

The first transition of political power took place in 2000, when Chen Shui-bian and Annette Lu of the DPP became president and vice-president, respectively. In 2008, Ma Ying-jeou and Vincent Siew of the KMT became president and vice-president in Taiwan's second democratic transition of power.⁴⁶⁰ Taiwan's third democratic transition of power took place in 2016 when Tsai Ing-wen and Chen Chieh-jen became president and vice-president.

In terms of political transitions of power, after the change in the Constitution, up until 2020, the DPP and KMT were changing terms in office every eight years.⁴⁶¹ But although we have seen the emergence of new third parties onto the historical stage, these regular changes in political power, have stabilized the political outlook of the DPP and the KMT as Taiwan's two dominant political parties. This is also reflected as part of the clash between the strategic group and the conflictive group.

With transitions between these two parties constituting political transitions of power in Taiwan, this serves as an important political and social influence upon members of the two groups. Internal factors for one group are the external factors for members of the other group, becoming an environmental change that groups need to adapt to.

With the transition of political power between the two groups, whether individuals are part of the strategic or conflictive groups may shift. Consequently, workers, unions and labor organizations began to undertake various ways of participating in politics. On the one hand, this reflects the shifting movement of workers between the strategic and conflictive groups. On the other hand, this led to the establishment of social roles and modes of political participation that reflect the complexity and multifaceted nature of the role labor played.

In the process of Taiwan's democratic consolidation, groups became more active in their political participation. Groups that were previously cold to politics because of fear of political retaliation during the authoritarian period gradually became more actively involved with politics.

⁴⁶⁰ In 2012, during the 13th presidential term, the KMT retained Ma Ying-jeou as its presidential candidate, but switched its vice presidential candidate to Wu Den-yih

⁴⁶¹ Article 47 in the Constitution states that the president and vice-president serves a term of six years, but can be reelected once. After the change in the Constitution in 1992, the president and vice-president serves a term of four years and is reelected once. As a result, political transitions tend to happen every eight years.

As a result, political behavior which had previously been unknown became more self-apparent, and both the strategic and conflictive groups sought to win the next set of elections. With the formation of alliances and consolidation between political groups, this led to mutual competition between social groups. Continuing the constitutional reform which began during the democratic transition, this led to the implementation of the institutionalization of multifaceted elements of Taiwanese society.

Proactive efforts to advance the economy, politics, law, culture, and education took place. On the other hand, an incipient constitutional crisis of the democratic period was continually put off, and workers' groups did not have time to process the shock of what took place during democratization. In confronting Taiwanese society's eagerness to institutionalize workers' issues, relations between industry and workers became an important target for political institutionalization in the political system.

The key points to note regarding this period are:

1. Why did the economic system become an important target of the political system?
2. The social factors and process that led to the institutionalization of the union system
3. The role of worker's issues in the political system and the development of such issues

6.1. Attempts by the political system to institutionalize the social structure

In the original representative system, representatives of public opinion, and representative industrial and occupational groups, such as worker-industrial groups, labor unions, and farmer's groups occupied 30% to 40% of the total amount of seats. District representatives, such as representatives of city residents, constituted 60% of seats, and special representatives, such as representatives of ethnic minorities or political parties, constituted 10% of seats.⁴⁶²

After the democratic transition, around 30% of the seats allotted to the capitalist class and workers' class were removed, and the key representative positions came to be that of "citizens" and local residents. Although this strategy was framed as a means of "equalizing" the citizenry, the representative system was pushed toward emphasizing the role of political parties, with the only paths for political participation remaining being those of citizen's representatives for local districts or proportional representatives of political parties. This stabilized the position of local factions contesting for representative office, as integrated with political parties.

In terms of the overall development of Taiwanese society, there are three elements to the narrative that authoritarianism led to economic liberalization which, in turn, brought about democratization. This reveals that Taiwanese economic

⁴⁶² See 5.2.1 of the previous chapter regarding the removal of elected representatives

development predated political shifts in Taiwanese society, and that on this basis, the economic system was an important support for the political system of authoritarianism.

In examining politically elite groups, it may seem as though politically elite groups were focused on different means of political participation. However, when we add an analysis of economic factors to this context, the claim that politics is a matter of everyone's concern actually reflects the management and the institutionalization of the economic system. This is another economic factor regarding the actions of politically elite groups during this time.⁴⁶³

After Taiwan's democratic consolidation, political elites could not conceal how they obtained economic benefits, not as they could during the authoritarian period. They inevitably required floating capital for the process of socioeconomic development.

Individuals or political groups in the political system continued to need political groups to survive. As such, with the continued democratization of Taiwanese society, it became hoped that individuals had money and leisure in order for them to participate in social affairs. With the possibility of regular participation in politics during the course of Taiwan's democratic transition, resources became a key factor in political participation between the conflictive and strategic groups.⁴⁶⁴

This led to a change in political participation for politicians. Politicians were no longer feared and worshipped, as they were before, but came to be seen as no different as regular people.⁴⁶⁵ The deification of political figures was gradually abandoned by proletarian society. As a result, political controversies often revolved around "de-Chiangification (去蔣化)" and "de-Sinicization (去中國化)".⁴⁶⁶

⁴⁶³ From Qin Xiao-yi and from the editing group of the complete works of the Founding Father, Book One of the Complete Works of the Founding Father, 1989, Tri-demism, "First Lecture on Democracy," p. 55. This is the most common phrase used in national education.

⁴⁶⁴ That politicians have money refers not only to that they have sufficient resources not to be tempted by wealth, but that they can dip into their own pockets for campaigns. Having time refers to that politicians have the ability to control their own abilities. To the extent that they have free time, as well as own property, this reflects they are different from the working class. It was hoped that they were interested in public affairs in order that they were invested in this not for private interest.

⁴⁶⁵ Because Taiwan served as a subcontractor for America, it commonly had a large trade deficit. Moreover, because of high taxes on imported cars to protect Taiwan's domestic car industry, imported cars became a sign of social status. In order to reduce the trade deficit with America, American cars were purchased for use by the political class. Outside of specially used cars, most cars were black. That organized crime groups use black Mercedes-Benz or BMWs as a sign of status reflects this social status, regarding capitalists and government officials.

⁴⁶⁶ During the authoritarian period, the KMT designated Chiang Kai-shek, mostly referred to as Chiang Zhongzheng, as a "national hero" to be deified and worshipped by the party-state. The most important road in every Taiwanese city is named "Zhongzheng Road," and it was mandated that a statue of Chiang be set up at the entrance of every school. It was required that every classroom display a portrait of him and Taiwan's primary international airport was named the Chiang Kai-shek International Airport. The first airplane produced a cooperative effort by the US and Taiwan was named the "Zhongzheng".

After the democratic transition, Chiang Kai-shek shifted in the KMT's historical viewpoint, seeing Chiang as the KMT leader and savior of the people who had brought the KMT to Taiwan. The DPP viewed the KMT as having committed historical massacres when it had come to Taiwan, dragging Taiwan into the civil war between the CCP and KMT, resulting in the situation today where Taiwan is not diplomatically recognized by the majority of the world's countries.

On the other hand, holding office became a career vocation for more and more people. This reflects how the political experiences of the people were institutionalized. But during the course of the transition from authoritarianism to democracy, this allowed to the development of new political families and dynasties.

To put it more concretely, the mobility created by shifts in society, became not only a way for one to advance one's social position in society, but allowed individuals who were not part of the original social class of the political system to have the opportunity to enter the political sphere. After persons became successful politicians, many of their relatives might also enter politics, creating a new political class.

In terms of the economic system, companies engaged in business played another role. New political groups appeared, not only out of newly formed political networks, and once a person was promoted to a higher political position, they would hand down their original political position to a spouse or child.⁴⁶⁷ This phenomenon of political inheritance did not only take place in strategic groups, but also in conflictive groups, becoming a particular phenomenon of Taiwan's democratic transition.

In the course of social development of the relations between elements of the economic system and the political system, it was claimed that this was to serve the people.⁴⁶⁸ But to look at this in a worldlier lens, with institutionalization in the political system, regulation became a reason for the institutionalization, with mutual interactions and justifications of the economic and political systems.

With the mutual embeddedness of the political and economic systems, this led to linked relations between strategic and conflictive groups, as well as other social elements, constituting political parties, politicians, and the center of the political core. Although the political core was at the center of this, this was not merely externally directed. Different social elements were bound together as part of social solidarity, creating a mutual push and pull between social elements, and groups moving between the conflictive and strategic groups.

What came to form was something like a binary solar system, with the two primary political groups having various orbits around them. The attractive and repulsive gravity between the conflictive and strategic groups shaped the development of the economic system.

In terms of a Chinese historical viewpoint, Chiang Kai-shek may or may not be a hero, but Taiwanese identity takes the opposite view. As such, during the period of the consolidation of Taiwan's democracy, there was different political behavior when the KMT or DPP held power. The best example may be when the DPP changed the name of the Chiang Kai-shek Memorial's gate to "Liberty Plaza" and the Chiang Kai-shek Memorial as a whole's name to "National Taiwan Democracy Remembrance Park" in 2007. After the KMT took power in 2008, this was changed back to "Chiang Kai-shek Memorial." Whenever the anniversary of Chiang Kai-shek's birth comes up, both parties contest with each other again.

⁴⁶⁷ "Fuerdai," referring to second generation wealth, came to have a similar term, "zhengerdai," meaning second generation politicians.

⁴⁶⁸ See above.

Examining the institutionalization and linked relations between the economic and political system, one can observe the sub-atomic level of Taiwan's democratization, then. Different groups and politicians sought to connect with the capitalist class and through establishing closer, more intimate relations, to allow for shared interest. Those that were successful could obtain the economic support and economic interest of political groups.

From the macro-level, the political system confronted the economic system's development, which was not under its control, and sought to control it. At the most, it could only influence aspects of economic development, such as privileging the development of particular industries. This also faced the pressure of floating capital searching for investment.

It should not be surprising then, that this situation exacerbated to inequality of social classes and an uneven distribution of wealth in Taiwan. Politicians seeking their own personal self-interest put forward economic policies seeking to strengthen national competitiveness. But it could also be said that this was a means for the political system to attach themselves to the economic system as a means of shared existence.

6.1.1. The rise of a new political nobility

During Taiwan's democratic consolidation, political parties radiated their influence outward to other groups. But internal factors in one group were the external factors of the other group. The shift of individual group units sometimes led to shifts within the group they belonged to, or sometimes crossed group boundaries between the strategic and conflictive groups.

This is another particular characteristic of Taiwan's democratic transition, as well as an important research question for research into Taiwan. That is, how did shifts in the political system affect the two political groups? Consequently, to understand this push and pull between various groups, it is necessary to understand the core of the political system as a whole, and which politicians and groups constituted the core. What was it that led to socially embedded relations during this time?

1. The effects of deficiencies in the representative political system

In terms of the structure of the political system, it is important to note that this was originally imported from China. After the KMT failed to achieve its aim of retaking the Chinese mainland and shifted toward becoming a political party in Taiwan, there was naturally a shift in this system as well, in which the majority of representatives became those of political parties. Workers and capitalists, as representatives of worker-industry relations, shifted from being directly represented in the political system to being a driving force for representation in the system.

There was no equal arena of contestation between workers and capitalists. Political parties were originally a supplementary identity for the political system, but political parties came to take precedent in the political system. In the course of this development, the ROC Constitution became an unrealizable dream, and

under the theoretical framework of the government system the results produced by reality became very different from the stated ideal.

After the “purification” of the KMT after it brought the nationalist government to Taiwan, it declared martial law in Taiwan, and maintained a hostile relation with the CCP. Because the political situation had reached a deadlock. This led the KMT to establish the political system that existed in Taiwan. With KMT control of the government and having imposed military rule, those who came with the KMT to Taiwan were supporters of the KMT.

Regular elections and Constitution government were frozen. There was no means to amend the Constitution, and there was no way to compete legitimately for areas outside of the KMT control in the blueprint of the Constitution. There was no means for there to be a genuine representative system, given how small Taiwan was compared to the nation outlined in the government.

Creating conditions of social embeddedness with this frozen system was impossible, much less for there to be changes in the system. The political system returned to being a highly feudal one, with a loyal and dependable core used to control the legislation, implementation, jurisdiction, and oversight of laws, leading government to be outside of the hands of everyday people.

Although this was specified as under a representative system, this came to establish a top-down system. While the strategic group was large, with this kind of political system, this was a necessary historical condition for the development of the conflictive group. To put it simply, in lacking representation or a means of amending the Constitution, political participation formed a structural deficiency of politics.

Conflictive groups took center stage during the course of Taiwan’s democratic transition, with strategic groups having long since become entirely disconnected from the political system. With the competition between the KMT and the CCP, this was internalized as a driving force in Taiwanese politics. The struggle between independence versus unification became the most important political issue in the course of democratization and other issues had to allow for the precedence of this issue.

The change in the Constitution was originally just for the sake of redrawing electoral districts, as means to solve the crisis of legitimacy for the representative system, without the need to change the capacities by which people participated in office. The result was that representatives of business could use the principle of free competition to promote their economic interests. But with conflict between strategic and conflictive groups, in the process of amending the Constitution, this led to the reduction of representatives to that of local representatives and proportional representation, removing worker’s representation, and with this, institutionalizing the economic system.

Apart from removing the ability of industry representatives to directly participate in government, the political system sought to try and control the economic system

while also raising the benchmarks needed to change the Constitution, and disregarding the ability of future society to amend the Constitution.⁴⁶⁹ ⁴⁷⁰The national health insurance, worker's insurance, and worker's pensions can be used as an example. The expanded territory of the ROC and of national identity led to inaccurate measures for the political system regarding its administered territory. Apart from that there was no way for this system to be accurate, this was also thought to be a ticking time bomb regarding the tax system.⁴⁷¹ If the ability of people to represent themselves shrunk, then the ruling party or the opposition party might prioritize their own interest over that of the people writ large. So if a representative system lacked the capacity for social dialogue, or if the representative system was the sole political system, this would make it easy for political parties to manipulate public opinion. This was another structural deficiency shared between ruling and opposition parties.

Due to the influences of this structural deficiency, during Taiwan's democratic consolidation, political parties led the social system, and political elements outside the core of the political party needed to maintain relations with the party in order to carry out political participation.

In terms of local representatives, although the local representative system relied on politicians to carry this out themselves, without the support of political parties, there was no way for them to win the support of administrative authorities or local governments. After successive changes in the election system, the system was changed to have only one representative for an area, and so there would only be one winner regardless of party. There would be little space for independent candidates because of competition from the main political parties.

Those who could obtain the support of factions or of politically influential figures had to meet a difficult benchmark, and these politically influential figures or factions were strongly linked to political parties. Even if they were seasoned politicians, they had to confront compromises and they could not be wholly independent of parties. Politicians had to be nominated by a party to obtain the support of a party or of political influential figures and they confronted structural problems once elected.

As such, there are three issues: 1. Residency and business was mixed together, 2. Traditional villages had long since changed greatly, with original inhabitants

⁴⁶⁹ For example, public social welfare measures such as health insurance system, labor insurance system and labor pension system all need to accurately define "who is a national" and "territorial scope" as the actuarial basis of accounting subjects. Who the ROC Constitution specifies as the people and scope of its territories and the actual geopolitical situation of Taiwan and China differs and this is a constitutional challenge.

⁴⁷⁰ In a Taiwanese context, administration according to the law can either mean that the government ignores exceptions to need under the basis of rule of law, or the other is that government agencies have the flexibility to interpret legal meanings independently.

⁴⁷¹ One can compare with regards to challenges integrating the taxation system of West Germany and East Germany, seeing as the integrated taxation system after unification was based on the statistics of West Germany, but this did not correspond to East Germany, creating financial issues after unification. The ROC Constitution claims that it encompasses the Chinese mainland, and, though the ROC only administers Taiwan, Penghu, Kinmen, and Mazu, there is still the claim that there are constitutional obligations owed to the Chinese mainland.

moving out if they were economically successful,⁴⁷² 3. Household registration and place of residence may have changed, with the phenomenon of “northern drift”, leading to gaps between where individuals live and where they can vote.⁴⁷³

This led voting districts to be extremely complicated, requiring considerations of the interest and conflicts of any voter district, as well the dilution of that voter district. For example, with elected representative caught in the conflict between labor and capital, even if workers are able to apply pressure, elected politicians needed to consider the middle-class of an area.

This also led to the necessity of various compromises. It would not be possible for politicians to openly support workers during demonstrations. Moreover, not all of the workers in a factory may belong to the same electoral district.

As such, local representatives did not come to represent workers. And it proved necessary for local representatives to compromise when it came to labor issues. This was all the more true of political organizations or parties, creating compromises and diluting the voices of workers, reducing their voice, from the beginning. Under such circumstances, this could not result in representation of workers, and what voters paid attention to was not the specialization of candidates, but their ability to control political compromises or direct political trends.

In order to analyze the relation between electoral candidates and electoral districts further, in looking at the social embeddedness of candidates, electoral districts and representatives of those districts were more focused on issues such as the “northern drift”.

“Northern drift” refers to that northern areas in Taiwan attract more people, such as young people, or individuals seeking education, even if they lack roots there, compared to other places. Taipei City and New Taipei City were seen as the best places in the nation, and the top-ranked national public universities were in northern Taiwan, leading more young people to move from central Taiwan and southern Taiwan to the north.

Once they graduated, salaries were higher and their opportunities for seeking employment were greater in northern Taiwan. But at the market level, their lives were not stable, so many people’s household registrations remained in central and southern Taiwan, where they were originally from.

Consequently, returning home to vote became a special characteristic of voting in Taiwan, with buses, the high-speed rail, and other forms of transport providing special ticket fares. Civil society organizations also provided funds to support

⁴⁷² During the authoritarian era, public housing projects were constructed on a large scale for soldiers, as a social structure for addressing housing issues after the KMT came to Taiwan

⁴⁷³ “Northern drift” is a term used to refer to northern Taiwan attracting people who did not originally have roots in the area. See later

young people returning home to vote, such as the 2014 “Civil Union Youth Volunteer Team,” starting a “Young People Return Home to Vote Plan.”⁴⁷⁴

The phenomenon of “northern drift” also had to do with economic policy and local development. For example, it was decided during the authoritarian period to set up a science park in Hsinchu. After completing school, engineering and science students from central or southern Taiwan would usually stay in northern Taiwan. So in explaining northern drift, apart from considering individual economic prosperity, there is the need to examine this social phenomenon from a political standpoint.

This phenomenon, then, reflects how a gap exists between the living environment of candidates and voters, if voters’ household registration is not where they live. Candidates do not have the same perspective as voters, with regards to what they interact with and see in terms of everyday life. This also occurs with regards to how parties evaluate which candidates might win.

It is common for candidates that do not originally live in an area to parachute into a district to run there.⁴⁷⁵ Under many social structural factors, local representatives in districts cannot become representatives of the working class, and labor issues are just one of many issues. Other issues take precedence in terms of considerations.⁴⁷⁶

What politicians decide in terms of their political influence should not be thought of in terms of the political accomplishments of society as a whole. What they can do that is of the most importance is preserving resource distribution.

As such, through proportional representatives’ specialization or their backgrounds, one can discover what role they play for political parties, particularly pertaining to roles originally meant for specialized occupation seats in proportional representation. There are at least one or two individuals on the party list of past candidates who are specialized workers’ representatives, but those who are able to be elected are few and far between.

Substantively speaking, proportional representatives do not have to service the people, nor do they have to administer local authority or fight for resources. Proportional representatives are decided based on how many people vote for a party, and they have it much easier than local representatives. As such, proportional representatives sometimes serve as a promoted position for local representatives.

Taiwanese society displayed its strong mobilization capacity in the course of Taiwan’s democratic transition, such as regarding the Chinese Federation of Labor

⁴⁷⁴ Civil Union Youth Volunteer Team, “Young People Return Home to Vote to Change Politics Plan,” *FlyingV*, October 2014, www.flyingv.cc/projects/4878.

⁴⁷⁵ The presidential and vice presidential candidates’ household registrations need to be confirmed more than six months, while the household registration for mayors, county heads, and local representatives need to be confirmed for more than four months.

⁴⁷⁶ In terms of Marx’s views of social structure, in terms of Taiwanese society, the political class decides independence-unification issues. Other issues are sidelined by this.

and Taiwan Confederation of Trade Unions. But the representative structure of political mobilization was shrunk and could only be reflected as support for political parties.

There was no way for workers to directly assert representatives for elections. Only political parties were able to nominate proportional representatives. Even if voters were unhappy with the party list, they could only unwillingly support them.⁴⁷⁷

This was highly unequal for workers. Workers' representatives were often placed near the end of the list, and the majority of representatives were those of the capitalist class. Workers were compelled to support the party list in hopes of getting elected—even if this meant necessarily needing to support capitalists.

Whether proportional representatives necessarily need a party list is a question of political legitimacy worth considering. Unions had been institutionalized in Taiwan for a long time and in terms of class, were more stratified. Moreover, workers' issues are national and have the social characteristic of affecting the nation as a whole.

Non-proportional representation and party votes can be divided, that is, non-proportional representation need not necessarily take the form of votes for a political party votes. Political parties would not be the only representatives of voters, otherwise groups, organizations, politicians, and political families would not skew toward belonging to belong to the capitalist class. To put it simply, if non-proportional representatives did not have to be nominated by political parties, workers would have more representation.

Although it may appear as though in the course of Taiwan's democratization, regularly held elections that result in changes of political power are common, when it comes to the development of the political structure, outside of mainstream parties or individuals, there is no space for direct participation in politics. The political party system is the only player in the political domain.

There is space for independents outside of the party to participate in electoral politics, as maintained by the legal system. But compared to the ability of political parties to nominate candidates there is a fundamentally unequal basis. For example, independent candidates need to present a cash deposit in order to become candidates, while this is not required for the party list.

Independent candidates are subject to regulation by recall votes and political contribution laws, requiring that their finances be open and transparent. It is required that campaign goods do not cost more than 30 NT.⁴⁷⁸ But political parties are able to cover up expenditures in order to ensure laws are not violated, and

⁴⁷⁷ Oftentimes, the result is voting for a party rather than an individual. This is characteristic of the party vote system.

⁴⁷⁸ Outside of printing flyers and campaign advertising, it was formerly required that individuals also needed alcohol, MSG, and money to exchange for votes. With regulation of campaign costs, this was to institutionalize costs for voters, and this usually does not cost more than 30 NTD per item. Often seen items include fans, towels, toys, water bottles, water cans, and other small goods.

campaign goods can be produced through the party apparatus, rather than needing to be paid for by the candidate personally. Even if the candidate is a member of the working class, in confronting this complicated electoral system and inspection process, this makes it very difficult for independent candidates to run.⁴⁷⁹

In other words, the contemporary representative system in Taiwan is lacking, and only political parties have the means to participate in politics. Parties have precedence in Taiwanese politics and there are no other social institutions able to directly participate in politics.

2. Political structure as creating the conditions for the rise of new political nobility

From the authoritarian period, the political arena in Taiwan was characterized by the struggle between the strategic and conflictive group for dominance. But with the interference of the judiciary system, when someone was arrested, there was commonly the phenomenon of “going into battle for the sake of one’s husband”, as a form of electoral campaign likely to win. One saw this in 1961 with Su Dongqi and Suhong Yuejiao, in 1979 with Chang Chun-hung and Hsu Jung-shu, in 1979 with Yao Jia-wen and Chou Ching-yu, and in 1985 with Chen Shui-bian and Wu Shu-chen. This was a means to avoid the political persecution of one’s husband in the course of a political struggle, or using the power of political representation to protect one’s husband.

But in the course of the democratic transition, conflictive groups were affected by legitimacy and non-legitimacy under the legal system. The conditions under which politicians’ lives were at stake relaxed, nor was it so easy to be disappeared, as during the authoritarian period. The strategic group could no longer disregard this.

As such, with the consolidation of democracy, “going to battle on behalf of one’s husband” or “going to battle on behalf of one’s father” no longer had its original aim of protecting one’s husband, wife, father, or mother. This was to limit the political space that existed to prevent an opponent from entering the political space that had been created. Or for the sake of strengthening their political bloc, a politician might cultivate a son or daughter as a successor.

This was not so different from the notion of a “second-generation politician” in Chinese society. In Taiwanese society, outside of the descendants of politicians, this had the meaning of those who participated in politicians such as a vocation. This created a paradox, in that outside of the links between the economy and politics in the course of democratization, the feudal bloodline ties that was supposed to be eliminated in the process of democratization reappeared.

We might take the example of the ninth session of the Legislative Yuan in 2016 as an example. Whether families or in-laws, there were 64 candidates from political

⁴⁷⁹ According to the author’s interviews, outside of that the worker’s movement did not consider running for office, other complicated factors regarding running for local election made it difficult for elected representatives to represent the working class. Apart from the need to find a suitable candidate, election expenditures were also enormous.

families and of those candidates, those that won were over half.⁴⁸⁰ There were over 140 challengers in local elections in 2018, and those born in political families were 50 people, with 30 in the DPP and 20 in the KMT. In the course of 2020 legislative elections, 40% of pan-Blue and pan-Green politicians were second-generation politicians, with 15 from the KMT and 23 from the DPP.⁴⁸¹ In terms of party factions, or supporters from local networks, there was 68 people, constituting 76% of the pan-Green camp, and 51% of the pan-Blue camp.⁴⁸²

The succession and factionalization of politicians can be thought of in terms of political behavior and the employment market. Second-generation politician can be looked at with the view of politics as a “profession,” that this is why one sees the emergence of young second-generation politicians.

In closely analyzing this historical process, although some politicians may have participated in student movements during their student days, they later became assistants of legislative representatives through their families, workers in foundations and non-profits, or party workers. After two or three years, they directly entered the political arena. Carrying on the work of their parent’s generation, they consolidate the power of a family or group over an area. A perpendicular political link ties them to their parents with a stronger connection than with other political families or dynasties, forming a new political network.

As such, political participation is not merely a matter of personal choice, at the same time, there is pressure from a political network, and there is the need for economic support in order to continue to participate in politics. There must be a link between this new generation of political links and the economy as well, in order to expand political power. One of my interviewers had the following to say when asked about the sources of income for politicians:

Politicians also need to make money to support their family...what’s more is that they have to support the workers and office directors under them...If they can get enough money (from the government or from bids), and they can’t absorb these resources themselves, will they distribute these resources to others?...So there’s the possibility of corruption, that resources can be distributed to others...if there are no links, resources can’t be shared....⁴⁸³

This reveals how there is a certain economic demand that Taiwanese society has toward politicians. Different socioeconomic strata display different understandings of this. Although the upper classes of society may believe that one’s desire to participate in politics comes from an individual’s political convictions, the lower classes more openly express their understanding of the

⁴⁸⁰ Yu Pei-hua, Chen Yan-ling, and Li Yu-hsing, “64 Wei zhengzhi shi jia houxuan ren quan jie” · *Commonwealth Magazine*, No. 588 (December 22, 2015).

⁴⁸¹ Lin Xin-fei, “Buzhi zinu, sun zhi bei dou laile! Pandian liu dou zhengzhi jiazhu can xuan ren,” *Commonwealth Magazine*, No. 652, (July 17, 2018).

⁴⁸² Lin Wei-feng, “113 Wei li wei, jin 40 ge shi 'zheng er dai'”, *Xin Xinwen*, March 25, 2020, Zhang Jia-hao, “113 Ming li wei luli da diaocha: Jiashi, paixi xue jingli, xingzuo.....”, *Xin Xinwen*, March 25, 2020.

⁴⁸³ Records of interviews with workers from the lower economic strata in 2012, the age of this interview group is between 55-70 years old.

economic demands of politicians, and are firm in their understanding that serving as a politician is a career. This understanding is that the political structure is based on families or conglomerates and that politicians constitute a different class than capitalists or workers.

In examining how political parties operate, after the KMT came to Taiwan from China, its expenditures were more than could be paid for through membership dues, requiring the party to seek donations. After 1945, after the sixth National Assembly, in response to the competition of political parties, the subsidization of party-run enterprises grew daily. With the defeat of the KMT the Chinese Civil War, the assets seized from the Japanese, along with U.S. AID, led party-run enterprises to become an important source of resources.⁴⁸⁴

This led the party and state to become indivisible in Taiwanese society. But the KMT began to confront the weight of public opinion during the course of Taiwan's democratization, regarding illicit party assets.⁴⁸⁵ Other political parties began asymmetric competition, with this being an issue of transitional justice for political parties.⁴⁸⁶ Party-run enterprises and party-held assets could not be the main source of resources for the KMT, leading the KMT's primary source of funds to return to being membership dues and external contributions. A division of labor began to be the party distributing resources as well as responsibilities between party members for raising funds.

The party chair, vice chair, central committee, legislators, mayors, county heads, and village heads, began to have different responsibilities with regards to this.⁴⁸⁷ According to the latest reports, annually, the party chair needs to raise 10 million NTD, the vice chair, 5 million NTD, mayors 3 million NTD, while legislators have to share 30,000 NT per year of party expenditures, and are also required to raise 50,000 NT per year, and party list legislators are required to 250,000 NT.⁴⁸⁸

For candidates who are on the party list or have deciding power on the legislative committee, they are responsible for raising 500,000 NT. Members of the young faction have mentioned being unable to be elected for the central party committee.⁴⁸⁹ This set of circumstances also takes place within the DPP.

⁴⁸⁴ See Zeng Yong-ti, *Yi dang yang dang - zhongguo guomindang dang ying shiye chuqi fazhan zhi yanjiu (1945-1952)*, (MA Thesis, National Taiwan Normal University, Department of History, 2004), National Ce

⁴⁸⁵ In 1993, according to Liu Weiqi, general manager of the Chinese Nationalist Party Central Investment Corporation, the Chinese Nationalist Party had operated party-run enterprises for more than 40 years and accumulated a total of more than 963.9 billion yuan. Li Shunde, "The Kuomintang's party-run business assets exceed 900 billion yuan, and future financial management will be transparent and promote the separation of management rights from ownership," *Economic Daily*, September 19, 1993.

⁴⁸⁶ Since the first transition of political power in 2000, civil society began to urge the Democratic Progressive Party to promote transitional justice, to promote justice, to adjust executive power, changing the Constitution, and providing compensation to victims. It is hoped that a fair competition situation of political parties can be formed from the system.

⁴⁸⁷ Li Zu-shun, "Mu daxuan jingfei lan ni tui 'gongzhi fen tan jin'", *United Daily News*, April 16, 2007, <https://blog.xuite.net/tsaizenyuan1953/wretch/99513215>.

⁴⁸⁸ Gao Li-nan, "Zhu zhu zi xiang lianren, qian guan shi di yi guan. Gongzhi buxiang fendan zeren e, diao tou cun zhao shang shang duian tai shang." *Wealth Magazine*, October 24, 2016, <https://www.wealth.com.tw/home/articles/9136>.

⁴⁸⁹ Zhuang Ya-ting, "Pan-Blue Camp Urges Central Committee Members over Sixty to Retire. Hsu Chiao-hsin: I am sorry, I pay XX thousand per year," *TVBS*, January 20, 2020.

Management of resources has been directed through the central committee since 1987, regarding resources of income for party workers. Apart from that each party worker is required to generate a quota in the latest version of party regulations as of 2016, the provisions are very clear about overdue penalties.⁴⁹⁰

For those who have the resources and time to participate in politics, this may not be an issue, but this may be a way to squeeze out, newer, independent politicians that have entered politics. Responsibilities for raising funds serves as a barrier to entry to politics in the Taiwanese political system and for workers, there is no way to enter into the strategic decision-making center of parties. The ability of candidate to raise funds is a consideration as to whether they are put on the party list, and this makes it even less likely that workers will appear on the party list.

Income is required for politicians to survive. As such, it is an important issue to know what conditions must exist for politicians to not take bribes. In the process of Taiwan's political system being institutionalized, there is an embedded need for politicians to require economic support, and this led to election subsidies to be set up, as well as soliciting donations, as an attempt to disconnect politicians from the capitalist class, or at least to make these ties less tight.⁴⁹¹ But as we can see from election data, election expenditures in Taiwan remain large.⁴⁹²

Political activities can be seen as constituting a form of social activity. The varied nature of Taiwanese political activity reflects the close economic relations of Taiwanese political activities and various industries. It's a question as to whether this kind of link between political activities and various industries serves to influence the voting behavior of voters.⁴⁹³ But in terms of the various ways that candidates in Taiwan conduct advertising, this cannot only depend solely on the passion of voters, but this has to go through public relation companies, printing companies, homeowners, be disseminated through media, entertainers, the food and beverage industry, distribution, and related industries.

Outside of legal economic activities in public view, there is illegal economic behavior that attracts floating capital as well. There is often floating capital in search of votes in Taiwan's underground economy. With the continued

⁴⁹⁰ General assembly of national party members "Finance Regulation Article," (Democratic Progressive Party, April 9, 2016).

⁴⁹¹ The current Civil Servants Election and Recall Law was originally known as the Civil Servants Election and Recall Law during the Mobilization of Society, Suppression of Chaos. During the mobilization period, the Civil Servants Recall Law's Article 45-4 and Article 45-5 was amended in 1989, to outline that candidates, the taxes they paid, and the subsidies they received, where the resources they received came from had to be outlined, to clear up civic participation. This shows that the "political participation" of public servants in the political system of Taiwan at that time not only had social and political implications, but for political parties and political participants, economic gains also became an incentive for political participation on the table.

⁴⁹² The Civil Servants Election and Recall Act added Article 45-1 in 1983, which stipulates the maximum election expenses and calculation methods for elections at all levels, and stipulates penalties in Article 95-1. However, when the full text of the Civil Servants Election and Recall Act was amended in 2007, penalty provisions were deleted.

⁴⁹³ During the interview, the author was clearly informed that regular elections are actually the main economic source of many printing industries. Candidates who spend more in a constituency will of course affect how printers vote, because of economic incentives

development of Taiwan's democracy, elections are more and more trusted, and even forms the basis for gambling.

The head of a gambling group may make various bets based on the possible outcomes of an election, with faith in election results. Outside of Taiwan, overseas residents are encouraged to return to Taiwan to vote, or to raise funds. For Taishang, outside of organizing activities to support politicians, China will also use taishang associations and organizations to encourage taishang to return home to vote, or even request individuals to serve as candidates and shift resources to them.

In examining Taiwanese election periods, foreign researchers have marveled at the carnivalesque nature of Taiwanese elections, that much of democratic culture is very civic-based. Taiwan is seen as a model for the third wave of democratization. But when examining this more closely, can this really be attributed to the actions of the Taiwanese people, in consideration of the links between the democratic system and economic lives? This is a question worth considering.

Elections in Taiwan are required to take place periodically, with a large-scale election scheduled to take place on average every year, presidential and legislative elections every four years, and city councilor elections and local elections every four years. Political self-reflection must therefore take place every two years in Taiwan. For the electoral system, this is a normal state of conducting affairs. But the regularity of the election has also led various economic activities to occur on a regular basis. This is another key factor in social embeddedness, given the economic demands of such activities.

Election flags are everywhere during Taiwanese elections, requiring the print industry to produce these flags and requiring renting space for them to be hung. Service stations are set up for candidates, requiring space to be rented and employees to work there. Notices and campaign ads are set up, also requiring printing and space to be rented. Political parties need to produce uniforms and caps and the politician needs a candidate vest to wear, requiring the participation of the garment industry.

In order for the candidate to produce a public image, involving PR companies, speech coaches, and fashion specialists. The candidate's team requires a speechwriter, an editor, and assistants, and workers are required for events such as evening rallies, concerts, or bus tours. Ads need to be sent out to individuals, requiring logistics, printing, and mailing, and there is also need to maintain ads on television, cable or non-cable, and through social media, such as Facebook, Google, Line, and YouTube.

All of these are elements that Taiwanese electoral candidates need to involve themselves in. There are ties between various industries and election campaigns. In the course of this, Taiwanese politicians have created a new class, consisting of more than just regular people.

In other word, the political arena has led to the development of a new industry, specialized in politics, linking political activities and economic interests. It is no longer possible for politics to be an individual person's pursuit, with the need for specialized rules, and team needed to run a campaign. One can no longer simply stand on a soapbox in order to attract attention.

With the institutionalization of political activity, although there is less corruption and vote-buying compared to the authoritarian period, similar activities take place in despite such legal regulation. For example, to prevent vote-buying, candidates are supposed to spend less than 30 NT on election gifts, there are activities with tour buses carried out across the entire country, and tea is prepared for supporters and masse.

The distribution of campaign goods cannot be documented in its totality either, and groups are used to mobilize supporters. This is hard to control through law, but most people believe that this is not a large issue. Although campaign goods may not cost much money, as referenced in my interviews, they serve as an important source of information for voters, hence their value.

The bureaucratic system is supposed to maintain distance from both workers and capitalists. But apart from the phenomenon of second-generation politicians, according to recent reports into the background of the 113 current legislators, there are 15 with backgrounds in construction or real estate.⁴⁹⁴ These are crucial votes when it comes to policy pertaining to these things. With regards to the 2011 Real Estate Broking Management Act, those who had served in management positions in real estate companies opposed the act, leading to a deadlock in cross-caucus consultation.

After this was investigated by journalist Lin Shang-zuo, legislators who directly had investments in real estate companies were targeted by real estate companies in their appeals. Under the specifications of the Act on Property-Declaration by Public Servants, the property of legislators, their spouses, and children, needs to be declared. But consequently, the property owned by second-generation politicians and third-generation politicians will not always be discovered. There has come to be an iron link between the capitalist class, the bureaucratic system, and the real estate industry.

By contrast, the working class is pushed underneath the cogs of student debts, mortgages, home loans, and the real estate industry, with home loans lasting for up to thirty years.

With participation in politics becoming a specialized pursuit, on the one hand, politicians or political groups can form strong connections with specialized industries, in order to rent a good location for a campaign office and setting service center ahead of time for the election. But independent candidates need the hidden

⁴⁹⁴ Lin Shang-zuo, Guohui yiyuan jian shang beijing da xianxing, *Xin Xinwen*, May 27, 2020. Lin Shang-zuo, "Yangguang zhao bu dao li wei houtai you duo ying," *Xin Xinwen*, May 27, 2020, Lin Shang-zuo, "Li wei yu jia shu ren du dong, dongshi faling guifan song", *Xin Xinwen*, May 27, 2020.

support of political parties, in order to free up time to carry out activities such as waving to passers-by in the morning.

From the very beginning, the political party's election party affairs have ensured that the candidates must maintain a certain relationship with the political party and group network through measures such as the arrangement of candidates within the party and the placement of constituencies. It is through the support of political parties that candidates can maintain links with certain industries, making it further difficult for political parties to escape the pressure of political parties. Organizations attached to political parties provide material support and also serve as a means for candidates to avoid campaign financing rules. Given this situation, politics becomes no different than any other industry, and politicians are even ridiculed as if they are no different than performers.

In other words, with the industrialization of the political arena, politics has become a career vocation. Only if workers give up their identity as workers can they engage in political work, and they have no means of directly participating in the political system.

6.1.2. The regulation of the economic system and the new model of social class

In looking carefully at the historical trends of Taiwan's democratic transition, the economic successes of Taiwan stand out.

Chart 6.1 shows the Gross National Product per Capita from 1998 to 2018. In examining twenty years of changes, this rose from 12,840 USD in 1998 to 25,026 USD in 2018, effectively doubling. If one compares this with presidential and legislative elections, one finds that after elections, there is the trend that there will be a decline in GDP. 14,491 USD in 2000 declined to 13,448 USD in 2001, during the first transition of political power. During the second transition of political power in 2008, this declined from 18,131 USD to 16,988 in 2009.

Many editorials and reports speculate that this is due to the competition between the DPP and the KMT regarding the independence vs. unification issue and Taiwan's international place in the world. When the DPP wins, it faces pressure to economically restrict the KMT, resulting in negative effects for Taiwan's economy. This theory takes the drop in GDP during the first transition of political power as its key example.

Following this line of thought, in subsequent elections, the Chinese government attempted to increase economic influence over Taiwan before elections, using the political system to direct state-run enterprises and to influence Taiwanese industries and investment. In this way, Taiwan can be perceived as sharing the economic benefits of the rise of China, creating more interdependent relations between Taiwan and China, and increasing Taiwan's sense of political and social identification with China.

Forcing Taiwan to become economically reliant on China can extend Chinese political power, leading Taiwan's political system to be interdependent on its

political system. Consequently, it is predicted that Taiwan's economic reality will, under present trends, gradually become assimilated to the Chinese system, and in examining the numbers, the trends in Gross National Product from 1998 to 2000 seem to back this up.

But even if this was the Chinese strategy, when we examine the second transition of power, we find a contradiction. In 2008, it was the pro-China KMT that one, but in the same way, Gross National Product decreased in 2009. This was smaller compared to 2001, when there was a 10% decrease, seeing as there was only a 7% decrease in 2009, though one cannot say that this is insubstantial. If 2006 to 2008 is examined in terms of increased investment in Taiwan, one observed an increase in Taiwan's Gross National Product. Then one encounters another issue that it was the DPP that was in power then, which was not a pro-China party, and that it continued to hold power. This result does not accommodate China's strategy.

As such, regarding the transition in power, whether it was the DPP or KMT that won, there would be substantive effects on Taiwan's economy. This is reflective of the effects of the China factor on Taiwan's economy, because regardless of which party was in power, this would occur —not only if it was a party that was opposed to China that was in power. Another explanation may be that because this was the period in which Taiwan's democracy was in the process of consolidating, the economic strata dried up, but the change in political party led to adjustments in the social structure.

Transitions in political power were a means of renewing the embedded process of the political system and economic system. There would be a wave of institutionalization that took with regards to business, industry, culture, education, and society when a new ruling party took power, reconstructing political-economic relations in Taiwan's social system. Taiwanese society confronted political shifts, leading to input-output feedback, reflecting the painful transitions in economic development.

With the upward turn in the Taiwanese economy before elections, this could also reflect the shift in resources in the course of elections, rather than be a product of Chinese strategy toward Taiwan. Or this could reflect that Chinese strategy toward Taiwan was counteracted by Taiwan itself, not only with regards to Gross National Product.

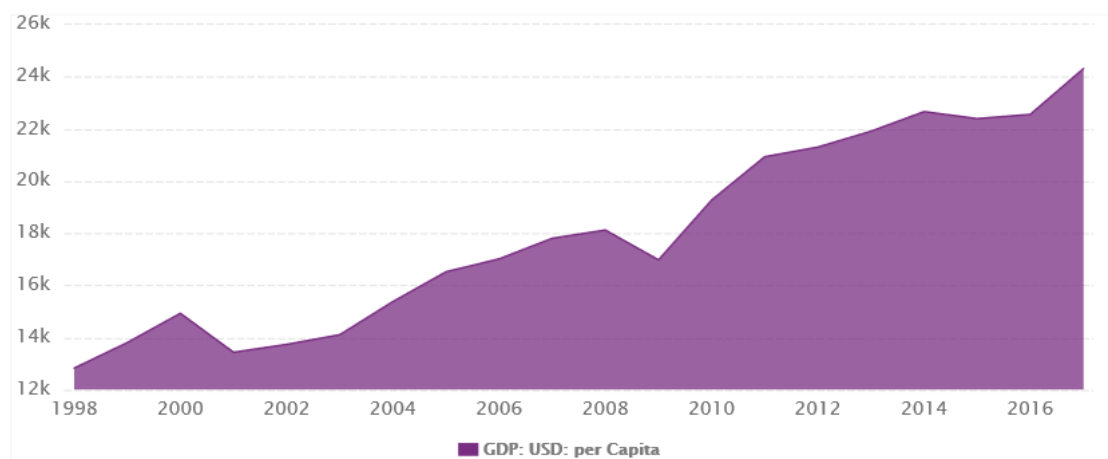
From 2001 to 2009 one saw economic reversals in the course of elections. Then in 2016, the third transition of political power occurred, and in which growth was slow, from a declining economic state. Generally speaking, two years serves as a sort of evaluation period for political parties, following which economic growth returns to normal.

In examining this phenomenon, we can come to the following observations:

1. China uses the economy as a lure for Taiwan, but this doesn't necessarily have the expected results

2. The possibility of political shifts in Taiwan creates economic uncertainty, reflected in the decline in growth after elections. But as transitions of political power continue to take place in Taiwan, the decline in growth has become smaller and smaller.
3. With the increasing independence of the economy from being affected by political shifts, even if controlled by the political system, sometimes the results are that the political system needs to serve the economic system. In other words, if national economic policy is unilaterally asserted by the political system, and political leadership seeks to mask other social needs in Taiwanese society, such as labor-capital relations in the political arena, then there is no way for there to be expected results or effective results in the course of democratic consolidation.
4. With the increasing disconnection of transitions in political power from Gross National Product and a decrease in their embedded relationship, this reflects the further consolidation of Taiwan's democracy.

Chart 6.1. : Gross national product, 1998-2018



Source: The Directorate General of Budget, Accounting and Statistics, CEIC Data

With the increase in average monthly salary, Taiwan's average monthly salary was 1000 USD in 1998. By 2018, it was 1,500 USD. If we compare this with trends regarding growth in Gross National Product, this is only half of the increase in Gross National Product.

This is an important result of institutionalization that we should note here. With social welfare policies put into place after Taiwan's democratic transition, with policies of social distribution of resources, we can evaluate this regarding employment, salary, and social welfare distribution. The Employment Insurance Law was implemented in 2002,⁴⁹⁵ and Article 21 of the Labor Standards Act was amended in 2002 as well⁴⁹⁶. The Labor Pension Law was passed in 2004,⁴⁹⁷ and in

⁴⁹⁵ Article 8 of the Employment Insurance Act specifies the proportion of one's salary that employment insurance takes up.

⁴⁹⁶ Article 21 of the Labor Standards Act defines consultation and negotiation between workers and management.

⁴⁹⁷ Article 14 of the Labor Pension Act specifies the portion of pensions paid for by workers and by the employer.

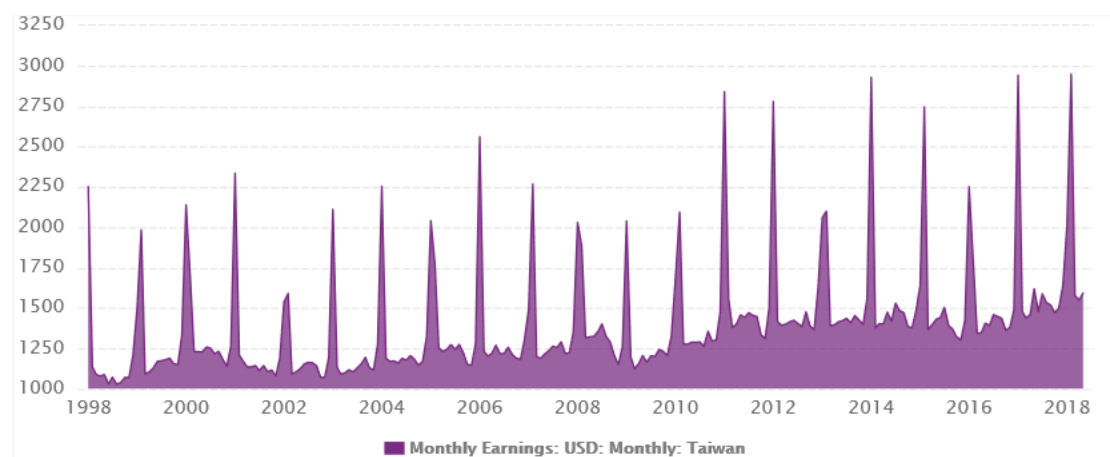
2010, the Labor Insurance Act was completely amended.⁴⁹⁸ In 2011, the National Health Insurance Act was amended.⁴⁹⁹

These were large-scale changes in institutionalization in the course of Taiwan's democratic transition. This reflects how Taiwan began to use statistics and accounting in order to establish its social welfare system. There was necessary social consensus for this to take place, reflecting rising Taiwanese identity and growing faith in democratic decision-making.

On the other hand, for workers, these forms of institutionalization reinforced the interdependence and mutually embedded relations between workers and capitalists. And because these social welfare institutions needed resources, this has to be paid for by the people themselves. This further contributed to the rise of a political class and development of a political industry, reflecting how labor was divided in a specialized manner between bureaucratic system, the working class, and the capitalist class. Workers and capitalists provided taxes and the bureaucracy, particularly political parties and the new political nobility, occupied the legal system and administrative organs to carry this out.

With monthly salary becoming the source of funds for the social safety net and social institutions, another path of political participation was monopolized by the bureaucratic system. With workers and capitalists constituting the tax base, this led to underreporting of taxes in order to reduce the amount paid. This may be the only means of explaining why Taiwan's average household income was so much lower than gross national product.

Chart 6.2. : Average monthly income, 1998 to 2018



Source: The Directorate General of Budget, Accounting and Statistics, CEIC Data

Likewise, in terms of the proportion of taxation in the social structure, although workers and capitalists are required to pay the same taxes in terms of policy, one notes that workers usually have one source of income, while capitalists may have multiple sources of income. In examining taxation statistics, although the income

⁴⁹⁸ Article 13 of the Labor Insurance Act specifies the proportion of labor insurance that comes from one's salary.

⁴⁹⁹ Articles 18 through 24 of the National Health Insurance Act specifies insurance fees and their proportion to one's salary for all forms of insurance.

tax that workers have to pay is different from capitalists, they actually took up more of the tax burden during this period. This reflects how workers undertook the same tactics as capitalists during this period, but they carried more of the tax burden. Because of underreported taxes, capitalists could accumulate more resources than capitalists and this increased social inequality, something that increased during the period of Taiwan's democratic transition.

According to government finance reports in 2017, for close to five years, the increase in land prices led to an increase in the stock market which resulted in an increase in real estate prices. This is main reason for the increase in the average net worth per household in the household sector.⁵⁰⁰ This constituted 56.6% of property for families, while life insurance and retirement funds constituted 76.38%.⁵⁰¹ This reflects the high level of interest and high level of participation in real estate and financial insurance, as well as how land was used to increase real estate profitability. With this high level of participation in land and financial investment, this was a means for floating capital to find a means of investment, and, on the other hand, because Taiwan is small and crowded, with even average families participating in competing for land, Taiwanese land prices became an important foundation of the market. This is not only because of industrial demand but because of speculation in real estate by average people, reflective of broader tendencies in society toward speculation.

With tax liability policies from the Taiwanese political system, real estate, bonds, funds, stocks, warrants, land, and financial investment constituted close to 60% of the total economy. But the tax rate was far less than the income tax, allowing capitalists to rapidly accumulate wealth, and allowing for profit even in retirement.

Comparatively speaking, the working class had to rely on having enough working hours to have enough money to make a living. There would be no income from resting hours. The speed between which the two classes accumulated wealth was very different. The tax system was originally to allow for taxes to be controlled through the government, in order to reduce the gap between the two groups.

However, this did not take place. Because it was thought that global economy was sluggish, politicians often gave preferential investment opportunities to capitalists, setting up free trade zones, develop science parks, and to stimulate certain industries.⁵⁰² But the result was that capitalists had a lighter tax burden than workers and minimizing socioeconomic disparity could not take place by way of taxes. As such, the main source of tax for the Taiwanese government fell on income tax. We can see this from Chart 6.3, which shows taxation for profit-seeking

⁵⁰⁰ Directorate General of Budget, Accounting and Statistics, "Minguo 106, National Wealth Report," (Directorate General of Budget, Accounting and Statistics, April 2019). p. 13.

⁵⁰¹ *Ibid.* p. 12.

⁵⁰² Setting up free trade zones or science parks are very common for governments, in loosing rules to allow regulating land, finance, working conditions, the environment, and taxes to give preferential treatment. But these create areas outside of the law, in which unfair competition for the industries allowed to set up there takes place. For labor, sometimes these areas do not have the Labor Standards Act apply to them and, outside of the inability to set up labor unions, labor-management disputes are handled by the park administrative unit, and there is no obligation to report them to labor authorities.

enterprises and for comprehensive (individual) taxes, which we can compare to the total.

With such taxation rates, this reveals that Taiwan's tax system depended on workers. Workers had no way to escape their tax position, but under these relations between the political and economic system, through national economic policy, this reduced tax liabilities. We can also examine this from the perspective that through national economic policy, tax burdens were reduced.

Or, to look at it another way, Taiwanese politicians in the Taiwanese political system may not have dependent upon being elected representatives or holding official positions to obtain a salary, but through creating other economic activities by creating ties through their position. It has been thought that it is a natural phenomenon for Taiwanese politicians to link with capitalists. Politicians do not seek power because of their political ideals, but in order to make their livelihood off of being a politician. This is an important means by which the economic prosperity of an individual or family is tied to politics.

In my interviews, when I often asked about common stereotypes of Taiwanese politicians, it is often thought politicians most commonly leave office because of bribery or corruption. On the other hand, this also reflects that politicians usually do not want to fall into a position where they have no way of escaping taxes, and hope for deviations from the tax system. Following this line of the thought, for paths of participation in the political system, why did this become monopolized by the bureaucratic system, and why did the institutionalization remove the direct means of political participation available to workers and capitalists? This should be apparent.

Chart 6.3. : Income tax statistics from 1998 to 2015



Source: Drawn by the author from statistics from the Directorate General of Budget, Accounting and Statistics

From the income tax statistics we see in Chart 6.3, during the transition of political power from 2000 to 2008, there were three years in which income tax decreased from the previous year. But as compared to Chart 6.1 regarding Gross National Product and Chart 6.2, showing average household income, even with economic fluctuations caused by the transition in political power, the decrease in Gross National Product only occurred one year after the transition of political power. This does not appear to be the cause as to why there were drops in income tax.

Apart from taxes, there are other sources of income for the government. Examples include different expenses, tax stamps, fines, state-owned monopolies, publicly run enterprises, remittances, and etc. With the growth of Taiwan's foreign exchange reserves, it commonly ranks among the world's most highly regarded. And Taiwan's finances are internationally recognized as well-regulated. Perng Fa-nan, the president of the Central Bank of the ROC held office for many years and was an A-ranked banker by American magazine *Global Finance* for fourteen years.⁵⁰³

Regarding the three years in which there was a decline in income tax during periods of political transition, this did not affect the growth of Taiwan's foreign exchange reserves. On the one hand, this reflects the political system's approval of the Central Bank's financial management. This can also be seen as a performance index of Taiwan's economy, revealing how Taiwan's economic development was not controlled by the political system, even if the first and second transition of political power led to economic turbulence.

In the twenty years between 1998 and 2018, Taiwan's foreign exchange reserves rose from 84 billion in 1998 to 461 billion in 2018, an increase of 5.5 times. This is much higher than the growth in Gross National Product. This reflects how government taxation was not the key reason for Taiwan's increase in foreign exchange reserves. The government had government-run enterprises, regulatory fees, and other sources of income which provided for this.

From the government-run enterprises that existed during the Japanese colonial period, many enterprises remained under firm government control. This created conditions of monopoly. With the liberalization of the economy in the course of Taiwan's democratic transition, there were criticisms of the inefficient operation of government-run enterprises and the high pay for employees of government-run enterprises. Although some enterprises were opened for privatization, in examining the upper levels of these industries, these were still primarily monopolized by public enterprises. Newly emergent private enterprises wanted to participate, but had to pay large regulatory fees or deposits, eliminating other manufacturers or producers from participating. In this competition, regarding this situation, government-run enterprises became a source of funds, along with taxation, for the growth of Taiwan's foreign exchange reserves.

⁵⁰³ Peng Huainan has served as the president of the Central Bank for 20 years since 1998. He has served as the longest ever president of the Central Bank.

Continuing our analysis of the relation between government-run enterprises and Taiwan's political system, government-run enterprises, on the one hand, provide economic support for the government and, on the other hand, government-run enterprises are aim for different groups in the political system.

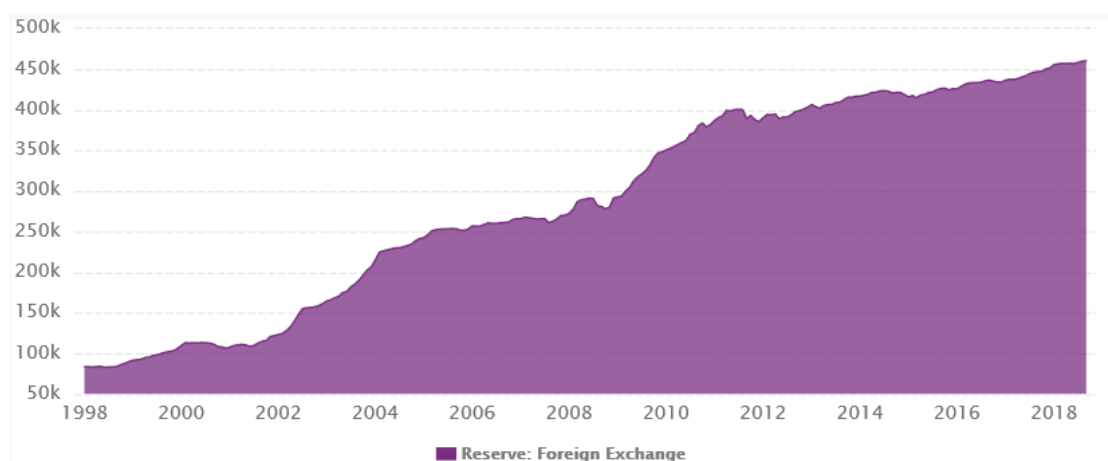
In the course of privatization promoted since 1989, workers in government-run enterprises worried that privatization would affect their salaries, performance requirements, pensions, and obstruct further changes. This limited some of the changes of privatization.

In a government report from 2017, it was reported that the Taiwan Power Company, the Central Petroleum Corporation, the Taiwan Sugar Corporation, the Taiwan Water Corporation, the Taiwan Tobacco and Liquor Corporation, the Taiwan Railways Administration, and the Chunghwa Post were in the process of privatization, had halted privatization, or had no plans as to how to proceed with privatization.⁵⁰⁴

But as came up in my interviews, worker cadres believed that the effects of privatization was not the result of that labor unions were not willing to lose pensions or workers' insurance from being public sector employees and being demoted to the regular labor insurance and regular pension system. Rather, "The higher-ups were happy to retain control over public sector employees."

As such, social commentary failed to notice that the issue of privatization died away in the course of Taiwan's democratization. However, the issue is likely to come up again in the future. Government-run enterprises themselves became objects that could be contested over in the course of Taiwan's democratization. With private sector companies taking up subcontract work, government-run enterprises took up an important upstream position in the industry chain, and private industry was confined to certain sectors.

Chart 6.4. : Taiwan's foreign exchange reserves, 1998 -2018



Source: The Directorate General of Budget, Accounting and Statistics, CEIC Data

⁵⁰⁴ National Development Council, "Privatization Status Report of Seven Nationalized Companies," (National Development Council, January 31, 2017).

The stock market during the authoritarian period became one outlet for floating capital in Taiwan. Most households came to have some investment in stocks, leading to the proletarianization of Taiwan's stock market.⁵⁰⁵ The stock market was even thought to be the basis on which a political party had the right to govern. To this extent, the Taiwanese government used a large sum of funds, known as the "National Security Fund," as a means of stabilizing the stock market.⁵⁰⁶

We might compare shifts in the stock market in 2000, 2008, and 2016, during periods of political transition and when there were large undulations in the stock market. In examining this carefully with the shifts in the stock market during this time, these were all different. There were large declines in the stock market in 2001 and 2009, one year after a transition of political party.

But during the third transition of political power, there was decline in the stock market in 2015 before the transition of political power, but growth in the stock market in 2017, one year *after* the transition of political power. The tendency for there to be turbulence in the stock market reflects that during the first and second transitions of political power, there was unease in the political system and this was reflected in the economic system, leading to declines in the stock market for one year or longer than one year.

However, during the third political transition, the decrease in the stock market took place one year before the transition of political power, reflecting lack of confidence from the economic system in the ruling administration. With a new government, this led to a relaxation of tensions, resulting in growth in the stock market.

The trends of Taiwan's stock market are mutually linked with historical periods. There are some key points we can derive from this:

1. During transitions of political power, a new political administration must demonstrate its ability to implement political power, and that it is attentive to the fluctuations of the market. Then, the stock market will stabilize. This is not merely something hoped for by average citizenry, but is an aim of strategic groups.
2. During the first democratic transition, with the victory of the pro-Taiwanese independence DPP, this led to the decline in the stock market in 2001, perhaps reflecting lack of confidence domestically, and the obstruction of cross-strait politics.

But after the transition of political power to the pro-China KMT, which hoped to expand exchanges with China, this also led to a decline in the stock market. It is possible that the opening up exchanges with China led floating capital to shift westward, regarding Taiwan's stock market. This is a question worth examining.

⁵⁰⁵ See 5.1.2 in the previous section, "The Economy as an External Force for the Reconstruction of Social Structure"

⁵⁰⁶ See footnote 296.

3. Taiwan's stock market declined before the third transition of political power, creating political pressure for the then-ruling party. This reflects the independence of the political system and how it could proactively affect the political system, without being controlled by the political system.
4. In alternating political power, the KMT and DPP have taken up similar China policy, and during different political administrations, the Chinese government has sought to adopt similar strategy in influencing Taiwan using taishang and relaxing restrictions governing both sides. China hopes to economically influence Taiwan in this way. This is part of why Taiwan's stock market grows before elections, but this reveals that this influence is limited.
5. This reflects that Taiwanese society regards political transitions of power as normal and it is less common for there to be disruptions in the economic system because of this.

Chart 6.5. : Taiwan's weighted stock price index, 1998-2018



Source: Drawn by the author from statistics from the Taiwan Stock Exchange

According to official statistics from the Directorate General of Budget, Accounting and Statistics, labor force participation rate refers to the ratio of labor force among the civilian population over 15 years old. By this definition, the civilian population over 15 years old refers to both the labor force and individuals who are not part of the labor force, that is, the sum of those employed as part of the labor force and those who are not.

Those who are not part of the labor force includes those who are engaged in education or preparing for education, housework, are elderly, have disabilities, or hope to work, but are unable to find work.⁵⁰⁷ As such, outside of the retired population or the elderly population, the labor force participation rate can be used as an index for participation in economic activities. The labor force participation

⁵⁰⁷ National Statistics, ROC, Statistics of the General Accounting Office, definition of employment and unemployment.

rate is deeply connected to race, age range, gender equality, educational development, household income, and industrial factors.⁵⁰⁸

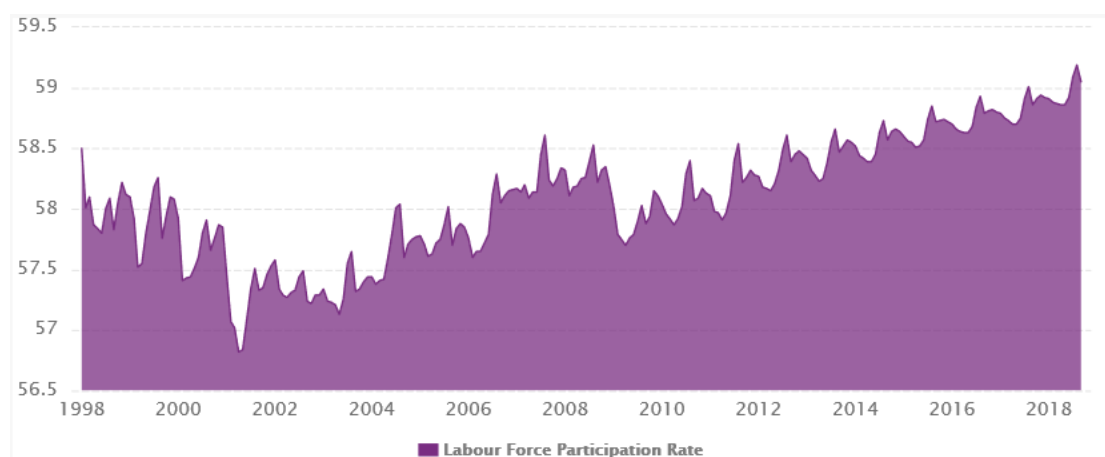
As you can see in the trends from Chart 6.6, in looking at long-term trends in Taiwan's labor force participation rate, one can see that labor force participation has gradually increased over time. But during the years after the first two transitions of political power in 2001 and 2009, there were decreases in labor force participation rate.

It is not possible that racial dynamics, the number of those retired, the proportion of males versus females, or those seeking employment could have shifted so much in just one year to produce this effect. One year later, in 2002 and 2010, did the labor force participation rate return to normal.

Consequently we can conclude that this decline had to do with family income or industrial structure, leading part of the workforce to suddenly become inactive. Which is to say, a change in the political system led to a structural shift in industry. For example, the privatization of public industries, or the liberalization of industries, the development of certain industries, or the direction of policy is often affected by the transition of political parties in Taiwan.

The economic industrial structure would suddenly change, leading the labor force to wait and see, before returning to the industries they were in before, or leaving the labor market to either pursuit education, reenter the market at a later date, or retreat, to seek work opportunities in other countries. This change in the political system leads social changes and shifts in the industrial structure, leading to sudden and large changes in the labor participation rate. In the third transition of political power in 2016, the labor participation rate does not demonstrate such effects.

Chart 6.6. : Labor force participation rate, 1998-2018



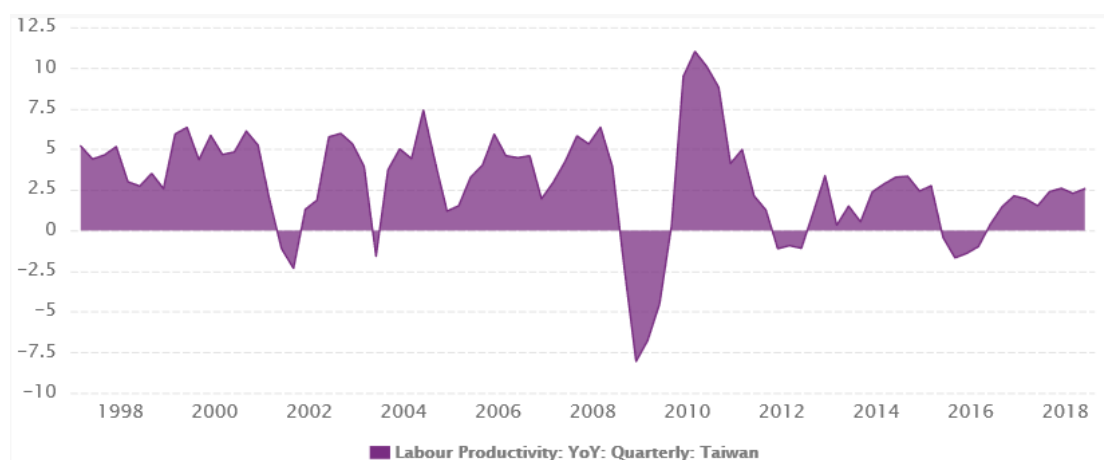
Source: The Directorate General of Budget, Accounting and Statistics, CEIC Data

⁵⁰⁸ Lin Xiao-chan and Lou Yu-mei "Predictions and Analysis of National Labor Force Participation Rate", (National Development Council, 2017). p.2 °

In the same way, there is a linked relation between the growth rate of Taiwan's labor production and political transitions of power. During the first and second political transitions of power in 2001 and 2009, there was decline in the growth rate for labor productivity. During the third transition of political power, the same decline occurred in 2016.

One of these declines saw a drop of 7.5% under the KMT. This reflects how labor productivity is influenced by political shifts, perhaps leading to decline in investment by the capitalist class. This may result in a decline in employment opportunities for the working class and the interaction between the two groups leads to a decline in labor productivity.

Chart 6.7. : Labor productivity growth rate, 1998-2018



Source: The Directorate General of Budget, Accounting and Statistics, CEIC Data

With this decline, foreign workers were recruited to replace the shortage in manpower.⁵⁰⁹ Foreign blue collar workers take on the “3K” work that Taiwanese workers are not willing to take on.⁵¹⁰ As a result, foreign workers have become of necessity to Taiwan's labor market.

Blue collar workers take on work in industries that lack workers. Official statistics suggest that the key reasons for this labor shortage are because, 1. Taiwanese workers are not willing to take on dirty work (48.7%), 2. Taiwanese workers are not willing to work overtime (44.7%), 3. Taiwanese workers are not willing to change shifts (43.8%), 4. Taiwanese workers are not willing to operate factory machinery (36.8%), 5. Taiwanese workers are not willing to work in dangerous environments, and 6. Rises in the minimum salary for Taiwanese workers (19.4%).⁵¹¹

In order to address this labor shortage, the most common strategy adopted by Taiwanese industry is to, 1. Recruit foreign workers (71.3%), 2. Increase worker's

⁵⁰⁹ See section 5.1.4

⁵¹⁰ “3K” is taken from Japanese, referring to work which is “kitanai”, or dirty, “kitsui,” or difficult, and “kiken,” or “dangerous.” This is a similar meaning to “3D” work which is “dirty, dangerous, and demeaning.”

⁵¹¹ Xin Bing-long and Liu Yi-jun, “Shishi 3k chanye wai lai xinshi zhi yingxiang ji xiaoyi pinggu,” Results Report, (Ministry of Labor, Workforce Development Agency, February 13, 2015, 3).

benefits to try and attract workers (60.9%), and 3. Change the working environment to try and attract Taiwanese workers (49.8%).

The issue of foreign labor in Taiwan reflects attempts by the political system to lead the economy. Under conditions of globalization, salaries were low and working conditions were poor, resulting in industry being unable to satisfy environmental demands, leading to attempts to try and adapt, or various strategies to shift outward.

Companies face pressures to compete, particularly with the economic model under which Taiwan takes on subcontract work, in manufacturing products of which Taiwan does not possess the patent for. With low salaries, illegal means are also used to reduce costs. Under these circumstances, the labor market demands low salaries, but this also serves as a pretext for the political system to affect worker-capital relations.

For capital, the number of foreign workers in Taiwan is controlled by political mechanisms. The market operations always serves as an invisible hand where workers are concerned. For foreign workers, factories hope to attract them using the same means by which they previously sought to recruit Taiwanese workers, but there are purposeful attempts to not improve the salaries and working conditions for them and Taiwanese workers that want to work in such industries are rejected.

*"When I applied for a job, the boss looked at the resume I applied with. He quickly told me to go back and wait for a notification...after a while, I saw that his company was hiring foreign labor. I realized that they were just going through the motions of being unable to find Taiwanese labor...."*⁵¹²

Foreign workers push down the salaries of Taiwanese workers, but also create unequal competition for members of the capitalist class that don't use migrant workers, resulting in that members of the capitalist class have no incentive to improve labor conditions for workers as a whole. Given this, even when there are disputes between workers and capitals regarding workplace safety or environmental violations, capitalists are more willing to pay fines rather than change working conditions, and it is more economical to pay.⁵¹³ As a result, issues regarding migrant workers not only have to do with salaries and rights, but reflects a means by which the capitalist class in Taiwan avoids its responsibilities and hopes to avoid Taiwan's isolated nature proving an obstacle to competition in the world economy.

The political system also obtains political interest from the issue of migrant workers. Apart from being able to play the role of an intermediary between workers and capitalists, Taiwan's international lack of recognition has resulted in

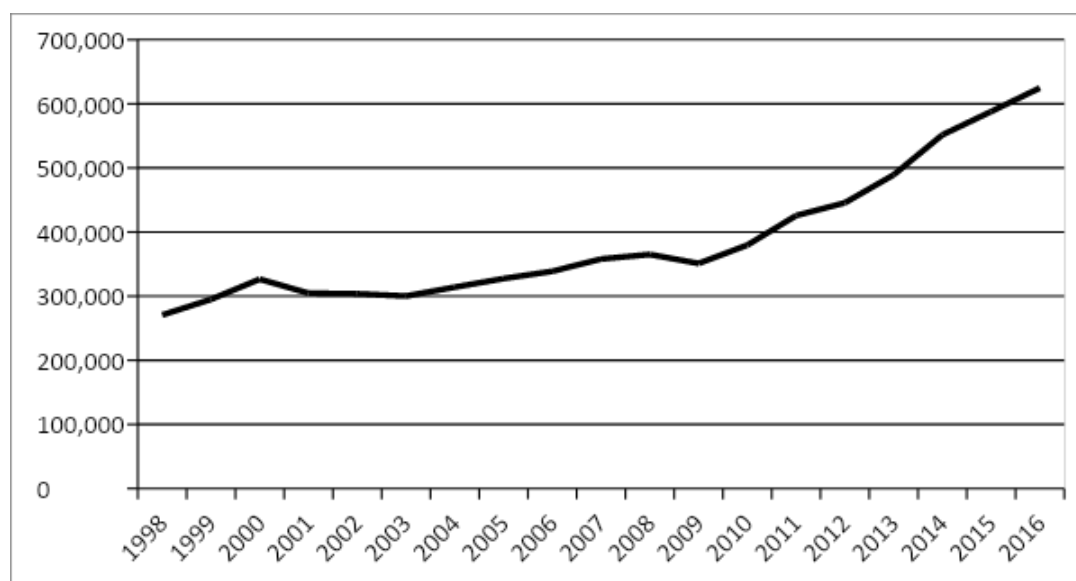
⁵¹²Interview. Many of my interviews were with individuals who had been unsuccessful in obtaining employment.

⁵¹³ On October 1, 2013, ASE, a Taiwanese semiconductor manufacturer, repeatedly discharged wastewater containing toxic heavy metals, polluting Houjin River farmland, and was only fined 600,000. In December 2013, it was again found that the factory had discharged wastewater containing toxic metals. With increasing pressure from the government and pressure by the government, ASE announced that it would invest 750 million in building an industrial wastewater recycling plant.

countries being unable to form open cooperative relations with it. But with the ability of the political system to control which countries that foreign workers come from and their numbers in Taiwan, to set up a broker system, the political system can set up a bridge with other countries for communication with the countries that migrant workers come from.

This constitutes an exception to official channels and can serve as a means to pressure other countries. During a dispute about fishing rights in 1999 with the Philippines, the government froze hiring for migrant workers from the Philippines for seven months. In 2002, the Taiwanese government suddenly froze hiring for Indonesian migrant workers, which was reported as having to do with a diplomatic visit by the Indonesian president. In 2002, Council of Labor Affairs member Chen Chu was prevented from visiting Thailand, with talks between the two countries reaching a deadlock. In 2011, when Taiwanese fraud suspects were sent to China, migrant workers from the Philippines were blocked from coming to Taiwan.⁵¹⁴ In the course of these incidents, capitalists' need for migrant workers was used by the bureaucratic system for foreign policy interests, and serves as a useful tool for the government.

Chart 6.8. : Number of migrant workers (Blue collar), 1998 - 2016

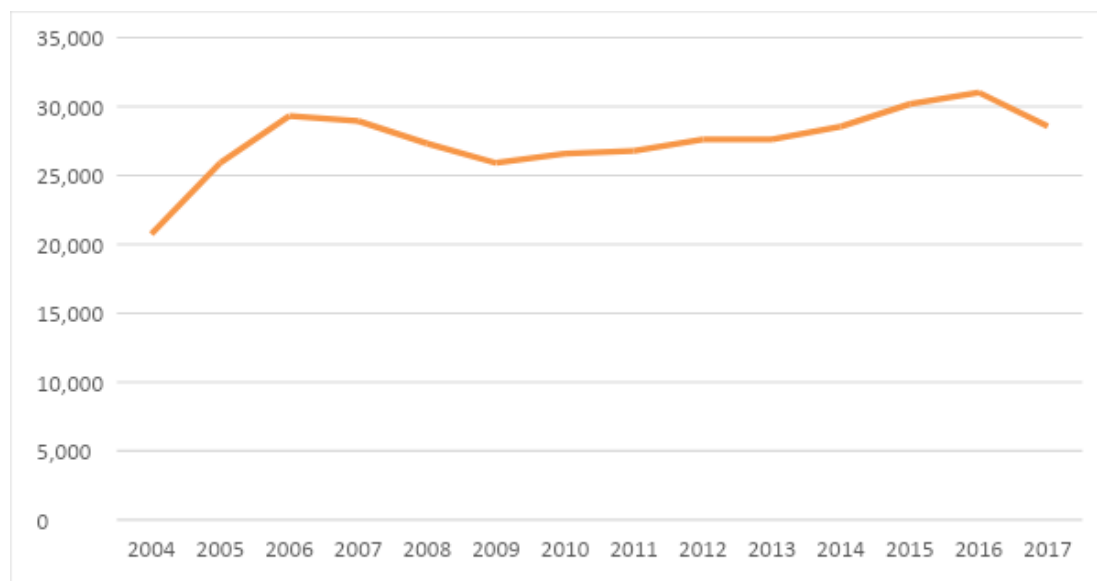


Source: Drawn by the author from statistics from the Directorate General of Budget, Accounting and Statistics

With the growth in migrant workers in Taiwan, the rate of growth regarding white collar or specialist migrant workers has stayed level, at 30,000 at the most. The labor market in Taiwan does not particularly welcome foreign talent and, if this trend continues, white collar workers will not play an important role in Taiwan's labor market. This reflects Taiwan's international isolation.

Chart 6.9. : Number of Migrant Workers (White collar), 2004 - 2017

⁵¹⁴ Chen Hsiu-lien, "Waijiao shoucuo, wao lao shoufa", Apple Daily, February 10, 2011.



Source: Drawn by the author from statistics from the Directorate General of Budget, Accounting and Statistics

As such, in the course of Taiwan's consolidation of its democracy, the development of the economic system was flourishing, even if some indexes of performance showed the influence of the political system. Overall, the economic outlook can be seen as maintaining conditions of growth.

On the other hand, with the changes in political parties, the position of the country was very different between the two parties. But this led it to become necessary for Taiwanese society to institutionalize itself in various respects. The economic system and the political system were mutually embedded, with rules regulating not only the flows of floating capital, but the development of the workforce.

For example, student debt policies and housing prices have seen fluctuations, with workers beginning to carry debts from the time that they are students. Under pressures to start a family and engage in business from Han culture, owning a house became an expression of social position. Consequently, for Taiwanese workers, student debts and the institutionalization of home loans became a source of pressure on employment and life, and is an index of institutionalization that many have paid attention to.

Chart 6.10 shows the trends in students applying for student loans from college and above. After the first political transition in power in 1996, there was the expansion of educational policy. With only 20% of acceptances for college, this was referred to as the "narrow door" of higher education in social commentary. Though the rate of acceptances for colleges have gradually increased, that the rate of acceptances has remained low has created issues:

"That 30% of students can enter college means that 70% of regular high school students are unable to test into college, but don't want to enter vocational schools...some consider cram schools and but still may not be able to enter college

if they try to take placement tests again. Some cram schools are like scams...And even if they graduate colleges, they still may not be good enough 40 or 50 years later. Our society has an enormous amount of pressure on manpower. Colleges should not filter out so many people and should become more accessible.”⁵¹⁵

Education is highly valued in Han societies, with education seen as an esteemed profession. As such, investment in education is high in Taiwanese society, and it is seen as a way of individuals to leave behind their social backgrounds, using education as the only way to do so.

Taiwanese society has also absorbed the American belief that education is a form of self-investment. For popular college majors such as in medicine, tuition costs are high. Likewise, in Taiwan’s education system, between private and public schools, public schools are seen as more esteemed, leading to disparities. In order to solve this educational gap and avoid the situation where students are unable to study after entering college, the student loan system has become the government’s solution under the limits of the educational budget.⁵¹⁶

For workers, the political system should divide up and take on some responsibilities, but responsibilities are placed on students and their parents, both groups of which can be seen as workers. Financial institutions, however, are the ones to profit, which is to say, the capitalist class profits. The bureaucratic system urges workers to invest in themselves, the government collects taxes, and lends money. But this is like how, in the “Pyramid of the Capitalist System” cartoon, the working class is labeled with the words, “We feed all.”⁵¹⁷

We can compare Chart 6.10 to Chart 6.11 to see fluctuations in student debt. Student debt reached its peak around 2009, then gradually decreases after that. There has been a readjustment in trends regarding student debt, as well as in the number of students who have student debt.

A trend can be discerned from this. With a reduction in student expenses after changes made by Ministry of Education in 2011, some student expenses were reduced to zero for low income students, while expenses were cut by 60% for mid-low income students. This change in policy led some students to no longer have to apply for student loans. But the increase in the number of applicants from low

⁵¹⁵ Former Examination Yuan head Yao Jia-wen, who served as head of the Examination Yuan from 2002 to 2008, visited ERCCT in 2003. This passage was heard by the author from Yao Jia-wen during the meeting. Yao explained in this way why Taiwan’s educational system must be made more widely accessible.

⁵¹⁶ Under Article 164 of the Constitution, it was specified that no less than 15% must be spent by the central government on education. But even research and development for weapons is included under education in expenditures.

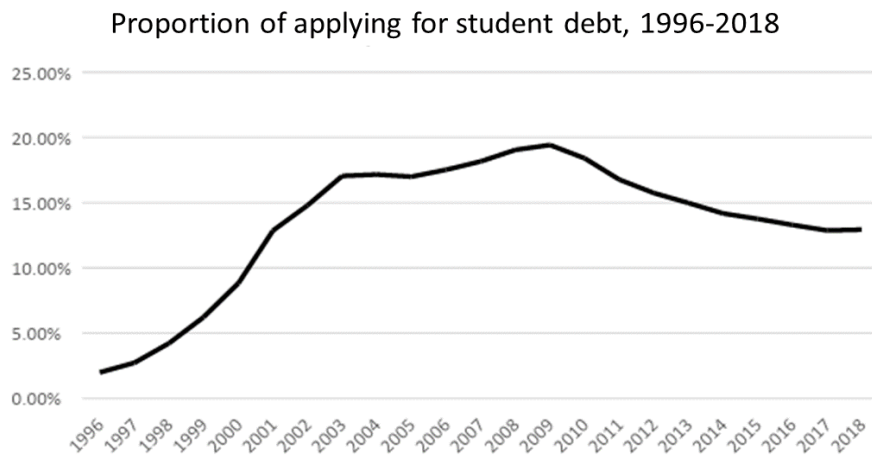
On July 20, 1998, the Directorate General of Budget, Accounting and Statistics, Wei Duan, with the agreement of the Premier Lien Chan, mobilized the representatives of the National Assembly to freeze Article 164 of the Constitution during the third meeting of the third session of the legislature, to make this a fictitious text for the sake of the budget.

Chen Han-qiang, “Freezing of Article 164 of the Constitution’s Assurances for Education,” March 6, 2006.

⁵¹⁷ The 1911 American cartoon’s famous picture of “Pyramid of Capitalist System”.

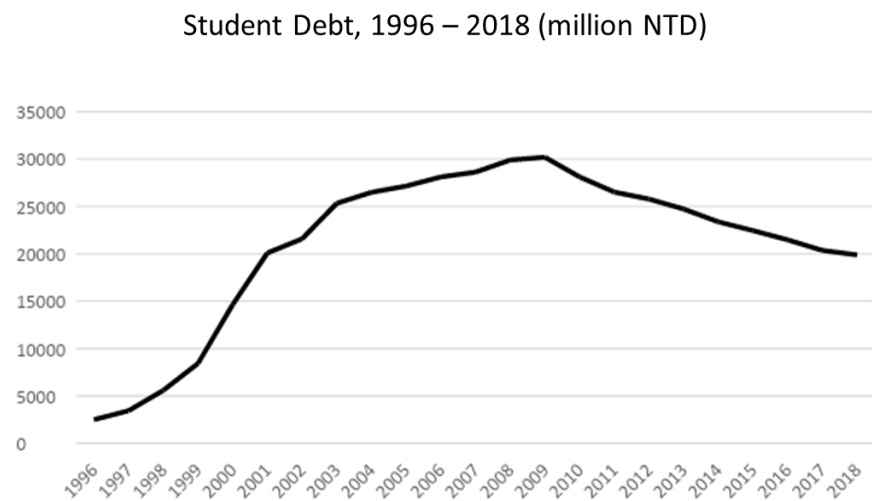
income families shows that the number of students from low-income or mid-low income students is increasing.⁵¹⁸

Chart 6.10. : Proportion of applying for student debt, 1996-2018.



Source: Drawn by the author from statistics from the Directorate General of Budget, Accounting and Statistics⁵¹⁹

Chart 6.11. : Student debt, 1996 - 2018.



⁵¹⁸ Liu Ya-wen, 'Ya kua qing pin yan shi dai de zuiho yi gen daocao?! Jiuxue daikuan jin shi nian fenxi.'

⁵¹⁹ Department of Statistics, Ministry of Education, "Number of Schools, Teachers, Employees, Classes, Students, and Graduates", January 2019; Department of Statistics, Ministry of Education, "Student Loan Statistics for Students at the Middle School Level and Above" (Ministry of Education, 2018).

Since there are two semesters in a year, this is reflected in the statistics, which count the number of applications. For example, the total number of applications in 2018 was 470,000, so it can be inferred from this that this is a total of around 25,000 people. The author has weighted these statistics to try and match the actual number of people with the number of statistics.

Source: Drawn by the author from statistics from the Directorate General of Budget, Accounting and Statistics⁵²⁰

After workers with student debts enter the workforce, because they carry the burden of their student debt, they may only be able to take on work with poorer conditions. Parents assisting their children with paying back their student debt also carry this burden.

But the effectiveness of this kind of social regulation can be seen regarding home loans. Mortgage is the most common large-scale economic activity undertaken in Taiwanese society by workers after they are promoted and begin to have a stable salary. Because the prices of homes vary based on the market, this leads to differences in home loans. Home loans formerly took twenty years to repay — now they may take thirty years to repay.

In the course of the democratic transition, Taiwan's financial market served as a way to channel floating capital. The Patriotic Lottery, stock market, underground gambling, real estate were economic activities that attracted floating capital.⁵²¹ In this process, the government stopped the patriotic lottery, sought to tax stock exchanges, and wiped out underground gambling, leading floating capital to enter the real estate market.

On the other hand, with policy regarding the economic opening up of China during the democratic transition, many Taiwanese factories gradually invested in China, resulting in an outflow of capital. In 2000, when the DPP took power for the first time during Taiwan's first democratic transition, there started to be regulations on Taiwanese factories moving to China, with policies to encourage taishang that had set up factories in China to return to Taiwan.

Reasons for moving factories to China included the large population and the market they offered, as well as that land prices were cheaper and salaries were lower in China. Apart from policies to regulate the movement of factories to China and to try and attract Taiwanese factories back to Taiwan, different economic free trade zones and financial incentives were used to remove obstacles obtaining land or with financing for returnees.

As seen in Chart 6.11, in examining the trends on the real estate market at the time, in 2008, when the DPP was in power, real estate started to occupy a smaller part of the market. After the second transition of power, the KMT expanded these policies, removing limits on Chinese capital entering Taiwan's financial market and land market.

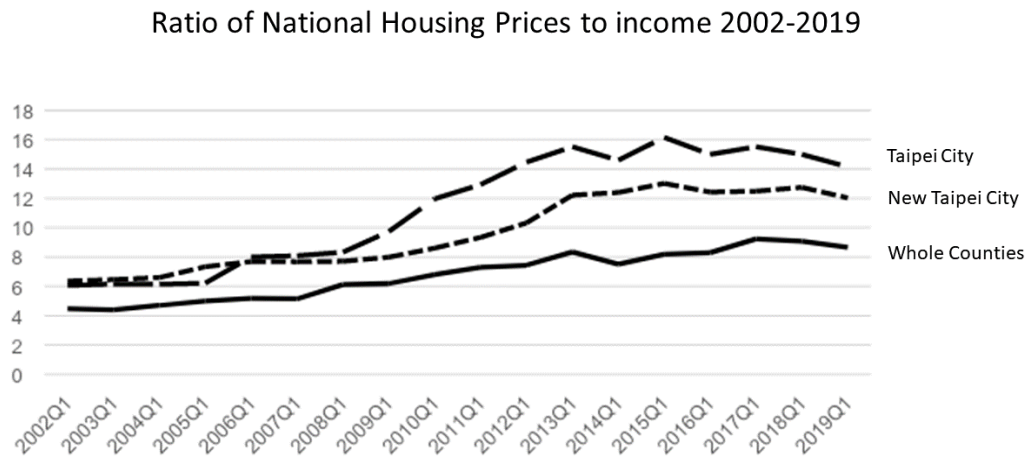
This led to skyrocketing inflation in Taiwan's ratio of national housing prices to income, with an increase of 4.47 times in 2002, of 6.13 times in 2008, and 9.24 times in 2017. In seeing the density of new workers in northern Taiwan, this was 6.35 times in 2002 for New Taipei, then 7.71 times in 2008, and this reached its

⁵²⁰ Department of Statistics, Ministry of Education, "Student Loan Statistics for Students at the Middle School Level and Above" (Ministry of Education, 2018)

⁵²¹ See 5.1.2

peak in 2015, with 13.02 times. The rising trend in the Taipei's market also shocked people, going from 6.06 times in 2002, 8.33 times in 2008, and 16.16 times in 2015.

Chart 6.12. : Trends in the ratio of national housing prices to income 2002-2019



Source: Drawn by the author from statistics from the Executive Yuan, Ministry of the Interior, Real Estate Information Platform

The ratio of national housing prices to income can be seen in Chart 6.2, as compared to the average monthly salary. When the average monthly salary was growing in Taiwan, housing prices also grew acutely. This reflects firstly how the advantageous policy toward capitalists proposed by those in power was highly effective, preventing salaries and funds from returning, and steering this toward purchasing land and real estate.

The disparity between workers' salaries and real estate prices gradually grew larger. For workers, once they left their education and entered the workforce, they would use their position to take out a loan on a house, and enter the housing market.

As for working conditions, what position one had to have in order to take out a home loan was comparatively less important. Regardless of what position one held, this would mean more than twenty years of home loans. This worsened working conditions for workers in the labor market, and workers feared the consequences of leaving their job prematurely.

As for workers who were able to obtain real estate, on the one hand, real estate prices gradually increased, even if they carried loans they did not always realize this was a burden and believed that their social position had advanced. Even if they were still members of the working class, some believed that as soon as they owned property, they no longer needed to work. In other words, because of the

financial appreciation of real estate, workers believed that they did not need to worry about worsening labor conditions.

Apart from serving as somewhere to live in, real estate for the capitalist class was a form of safe investment, as well as a replacement for retirement funds. Because the rise in real estate prices was higher than their bank deposits, so even if property depreciated with age, after being sold, the investment would still be highly worth it. In this way, the working class was no different than the capitalist class, and some mistakenly believed that through owning property, they had even shed their background as members of the working class. This is another reason for weak class consciousness in Taiwan's labor movement.

...The one thing I did right in life was buy property in XX district...When I bought it twenty years ago, I took on over 3 million NTD in home loans, but now it's worth 10 million NTD. This way, when I retire, have insurance, and I can leave something behind for my children.⁵²²

...If I owned property ...Those popular areas are all full of office buildings now...My family's descendants wouldn't have to work to survive...I would really be a member of the capitalist class...⁵²³

But for workers who had not purchased property or had no way of purchasing property, the situation was not so optimistic. Home loans were paid back monthly, showing the ratio of national households' burden of housing loans.

Chart 6.12 shows the loan burden trends for the entire country's financial market. In 2002, this was 23.93%, in 2008, this was 27.94%. This reached its peak at 38.04%. In examining New Taipei, in 2002, this was 34.04%, in 2008, this reached 37.94%, and this reached its peak at 67%.

What's worth noting is that this reflects the entire nation as a whole, not specific economic class. This reflects that 70% of monthly income was paid to home loans, and individual cases could be even higher. It was joked among workers that this would make it unavoidable for three generations to live under a single roof, as the tradition family structure in Chinese society is.⁵²⁴

In Taiwanese society, the bureaucratic system and capitalist class used economic activities and the financial system in order to create a shared mutually embedded body with workers. Workers had to think of ways to repay their home loans, with deductions for rest and household duties, and had no time to socially participate in politics. This led to a rigidification of the situation, with a preservation of the status quo, and the view that the economy was paramount to everything, in order to avoid one's plan to repay loans being disrupted. This was another important

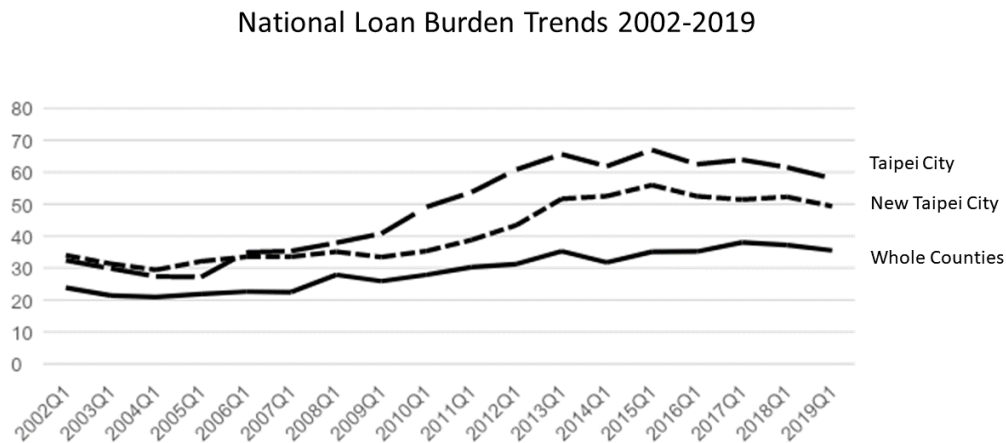
⁵²² 2018 interview, with a member of the working class.

⁵²³ 2012 interview with a left-wing labor activist.

⁵²⁴ There is a term, "three loans," used to refer to how members of the salaried class who obtain a stable working position, then use this position as a way to obtain either "credit loans" (referring to student loans or credit card loans), housing loans, or car loans.

characteristic of social embeddedness during the process of Taiwan's democratic consolidation.

Chart 6.13. : National loan burden trends 2002-2019



Source: Drawn by the author from statistics from the Executive Yuan, Ministry of the Interior, Real Estate Information Platform

The economic system described above reflects the institutionalization of the Taiwanese salaried working class. This also caused the working class to realize that they had to integrate, and to participate in political activities. But in terms of the substantive results, working class consciousness did not lead to mobilization capacity in the political system, and political participation took place through indirect means.

Although the working class in Taiwan, like in European and American societies, was divided between the capitalist class and bureaucratic class, in Taiwanese society, the difference between the working class and capitalist class was not entirely unbridgeable. It was comparatively easy for members of the working class to shift into become capitalists.

Small to medium-sized enterprises constituted the backbone of Taiwanese industry, with small-scale businesses with five or less employees serving as a comparatively common business model. If workers were unable to find work in the labor market with sufficient salary and working conditions, they would often decide to start businesses and become capitalists themselves.

For the productivity of individual workers, even if they may currently be salaried workers, they may not hope to always work in the same industry until they retire. And in order to acquire enough experience in work, industrial networks, skills, and resources, this is similar to how organized crime groups may end up shifting to become legitimate.⁵²⁵ It is very easy for shifts to occur between being workers and

⁵²⁵ See 5.1.2, "The Economy as an External Force for the Reconstruction of Social Structure "

capitalists because of starting business or because of irregular self-operated businesses. If workers cannot find suitable businesses, they may take small loans to start a business, as well as take loans from friends and family, becoming capitalists, bosses, or employers themselves. One might even be a capitalist and a worker at the same time, holding both forms of identity. In this social structure in which it is possible to hold these two identities, it is unlikely that class consciousness would be as strong in Taiwan as in Europe and America.

Consequently, it's easily for movement to occur between the identities of workers and capitalists. In terms of examining the mutual interaction of society, politics, and the economy during Taiwan's democratic transition, Taiwan's social structure can be examined from the paths of employment of workers. As such, there are three choices for workers if they wish to be successful:

1. Through taking a national exam, they enter the government apparatus and become public servants, teachers, soldiers, government workers, workers in government-run industries, elected representatives, or their assistants.
2. Capitalists refer to those that provide funds, techniques, land, or capital, in order to hire people as their workers.
3. Capitalists refers to those working in private industries, who obtain salaries from others in return for their labor.

In terms of the gross national income, the capitalist class and the salaried labor class constitute the majority of the sources of this. Through the cooperative relation of the two classes, high national productivity is exported for a profit. Where the bureaucratic system is concerned, regarding industrial-work relations, there is no way for the national government to directly provide productivity, and taxes are used a source of income.

The main actors in the industrial system are workers and capitalists, with the bureaucratic system only playing a supporting role. In the industrial system, the bureaucratic system has ties to both workers and capitalists, otherwise this would lead to a loss of balance in the financial affairs of the country. An excessively large bureaucratic system cannot be supported by the industrial system, which is how one can understand the Greek financial crisis.⁵²⁶

Salaried workers play an important role in the industrial relations of a country, and are an important contributor of taxes for the government.⁵²⁷ When political participation becomes an occupation in its own right, we may take this as our point of departure, where social structure in Taiwan is concerned.⁵²⁸ In comparing the

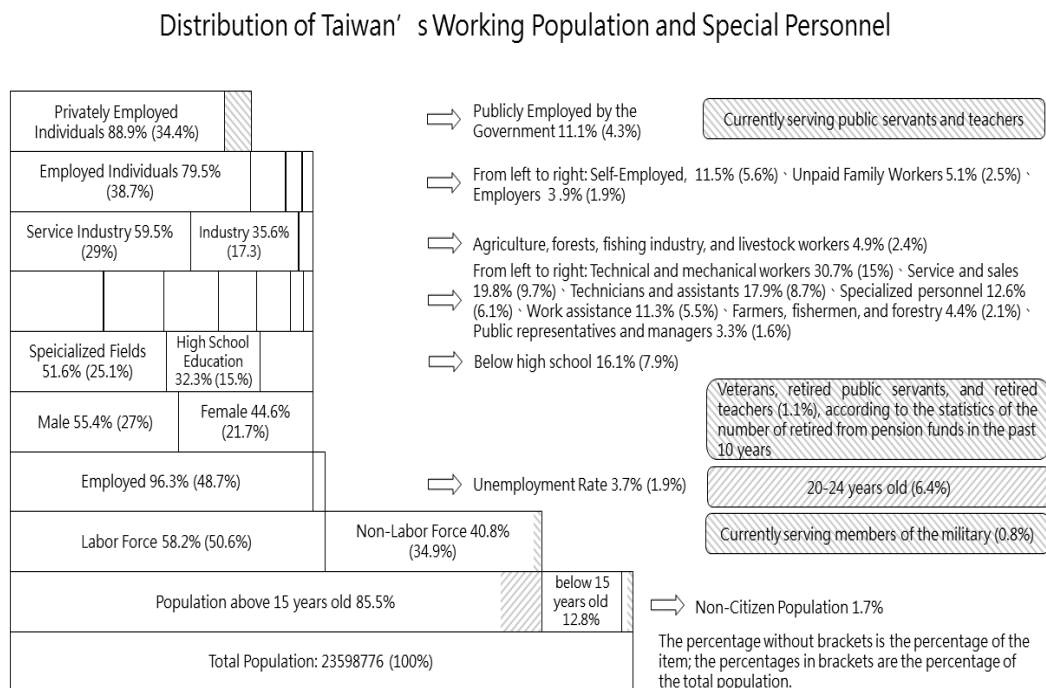
⁵²⁶ Greece has a large bureaucracy with favorable retirement position for its many workers. But due to shifts in the economic position and social changes in the European system, from 2010 onward, the tax system began to create large issues for its bureaucratic system, with difficulties supporting such a large bureaucratic system. In 2015, German Prime Minister Angela Merkel and other European countries offered financial assistance to Greece, requesting that Greece reform its bureaucracy and economic system.

⁵²⁷ See Chart 6.3. According to income tax statistics, the income tax of the working class is higher than that of profit-seeking enterprises.

⁵²⁸ See section 6.1.1. With the development of the political system and of a new political nobility, politics became an occupational and professional field.

proportion of salaried workers, capitalists, and members of the bureaucratic system, this reflects the paths of political participation available and political behavior. Through this, the social structure of Taiwan's isolation is self-evident.

Figure 6.1. : The distribution of Taiwan's working population



Source: Organized by the author, according to 2019 data from the Directorate General of Budget, Accounting and Statistics.⁵²⁹

In examining the two major political parties in Taiwan, both parties are obscure in terms of the data that they conceal from the public. Sometimes one can only know the inner workings of the party from press conferences held by the party chair.

The KMT had a total of 888,700 members in 2017, occupying a total of 3.77% of the overall population.⁵³⁰ The number of members eligible to vote in 2020 was 345,971 people, with those that voted being 124,019, a total of 35.85% of the voter

⁵²⁹ According to the Directorate General of Budget, Accounting and Statistics of the Executive Yuan, the following terms are defined as such:

- 1) Civilian Population: Nationals above fifteen years old, apart from those actively serving in the military, individuals serving jail time or who are missing, and includes workers and non-workers. This does not include foreigners, foreign workers, or foreign spouses of ROC nationals as part of the national population
- 2) Workers: Those who are fifteen years or above in the civilian population who can work, including those employed and those who have lost their jobs.
- 3) Non-workers: Those above fifteen years old who do not count as workers in the civilian population, including individuals seeking education, individuals taking care of household, who are senior citizens, have physical or mental abilities, wish to work but have been unable to, or who have been for other reasons unable to find work

⁵³⁰ Chinese KMT Cultural Dissemination Committee, "The total number of members of the KMT in every county and city," Chinese KMT Website, January 11, 2017.

electorate.⁵³¹ The total number of KMT members constitutes 1.47% of the national population. The total number of KMT members constitutes 1.47% of the national population.

The DPP announced in 2019 that it had 202,568 members, occupying .86% of the population.⁵³² For the political system to carry out a party chair election with this comparatively low proportion of the party system, this requires administrative resources from the party. This influences the division between party list candidates and electoral districts, creating low political legitimacy in Taiwan's political system.

We might take the example of legislative elections in 2020 as an example. Regarding the party list candidates announced by the KMT, after the party list was announced, many of those in the party stated that they did not know the individuals on the party list.⁵³³ The party list was also criticized as political favoritism by the party chair, reflecting a halted aspect to Taiwan's democratic transition.⁵³⁴

In examining this, the #1, #8, #9, #11, #12, #13, #24, #25, #28, and #29 candidates on the party list had backgrounds in finance, industry, or were taishang, reflecting that they were capitalists. Workers' representatives can be seen for the #20, #21, #22, #27 seats.⁵³⁵ As the KMT obtained thirteen seats through the party list vote, this led to workers' representatives being prevented from taking office.⁵³⁶

Members of the DPP party list with a background in finance or who were taishang and, in this way, members of the capitalist class included the #5, #13, #14, #18, and #25 seats. The only worker's representative was #28.⁵³⁷ The results of the election were that the DPP won thirteen seats.⁵³⁸ The result was also that no worker's representative was elected.

Outside of the two major parties, the #3 party list candidate for the New Power Party, which was one of the "Third Force" parties that emerged after 2016, was a labor lawyer.⁵³⁹ As such, just barely one seat was obtained for a lawyer.⁵⁴⁰

⁵³¹ Chinese KMT Cultural Dissemination Committee, "KMT Chairman By-election Won by Johnny Chiang," Chinese KMT Website, March 7, 2017.

⁵³² Ye Su-ping and Wen Gui-xiang, "Min jin dang zhuxi buxuan zhuo rong tai shengchu depiao lu yu 7 cheng," CNA, January 6, 2019.

⁵³³ Wang Cheng-zhong, "Guomintang bu fenqu mingdan chulu hanguo yu: Hendo bu renshi," CNA, November 13, 2019.

⁵³⁴ Zhao Wan-chun, "Qiangdiao bu fenqu mingdan gongzheng! Wu dunyi bei wen che yi jing cheng: By renshi," China Times, November 19, 2019.

⁵³⁵ United Daily News, "Zhengdang piao xiang tou shui? Kan gedang bu fenqu mingdan yu beijing xuanji", accessed January 18, 2020.

⁵³⁶ Central Election Committee, "Zhong xuan hui weiyuan huiyi shending tongguo bing gonggao di 10 jie lifa weiyuan xuanju jieguo ji dangxuan ren mingdan", Central Election Committee, January 17, 2020.

⁵³⁷ United Daily News, "Zhengdang piao xiang tou shui?"

⁵³⁸ Central Election Committee, "Zhong xuan hui weiyuan huiyi shending tongguo bing gonggao di 10 jie lifa weiyuan xuanju jieguo ji dangxuan ren mingdan"

⁵³⁹ United Daily News, "Zhengdang piao xiang tou shui?"

⁵⁴⁰ Central Election Committee, "Zhong xuan hui weiyuan huiyi shending tongguo bing gonggao di 10 jie lifa weiyuan xuanju jieguo ji dangxuan ren mingdan"

The Taiwan People's Party, which was formed in 2020, had as its #1 seat, the former head of the Taipei city government Department of Labor.⁵⁴¹ But in obtaining five seats by the party vote, the #3 and the #4 seats on the party list, who had backgrounds in industry and as taishang, were also voted into power.⁵⁴²

This kind of result reflects a cruel reality. Although salaried workers constitute 38.7% of Taiwanese, but this is not reflected in terms of the number of seats that they are able to obtain through political participation. Even if workers want to obtain representatives for the working class, the capitalist class and bureaucracy class are able to obtain more seats.

On party lists, workers are usually put in seats where there is a low probability of them being elected. Even if a party such as the TPP put a workers' representative as their #1 party list representative, workers would also be forced to vote for capitalist representatives. Workers' voting results in capitalist representatives being voted in, resulting in cruel realities for political participation for workers.

6.1.3 The institutionalization of the union system and divisions in the labor market

For workers and labor-related organizations during the consolidation of Taiwan's democracy, one of the most visible markers of the institutionalization of labor unions is the splits in identity between workers in the labor market.

1. The process of the institutionalization of the labor union system

During the first democratic transition in Taiwanese history in 2000, in examining the proportion of political parties in the legislature, the KMT was the dominant and largest party, while the DPP was disadvantaged as a smaller party.

In controlling the national apparatus for the first time once winning the presidency, the DPP and affiliated union groups were not able to influence policy as much as the KMT and affiliated union groups had been able to. At the time, to participate in the political system as a legal representative, one had to be a national labor union set up in Nanjing in 1948 by the ROC government.⁵⁴³ These labor unions resumed meeting in Taiwan after the KMT came to Taiwan in 1951 and these became important civilian organizations after 1951, reflecting the control of labor unions by the KMT.

Much research into the institutionalization of Taiwanese labor focuses on small grassroots labor unions and the worker's movement as developed from factory unions. There is comparatively less focus on why such labor unions could not become a means for political participation.

But if we take a macro-level view of the labor union system, we discover that the national labor union is at the heart of provincial, county, and city labor unions. In the system, workers are not regarded as members of trade unions on the basis of

⁵⁴¹ United Daily News, "Zhengdang piao xiang tou shui?"

⁵⁴² Central Election Committee, "Zhong xuan hui weiyuan huiyi shending tongguo bing gonggao di 10 jie lifa weiyuan xuanju jiguo ji dangxuan ren mingdan"

⁵⁴³ Chinese Federation of Labour °

being workers, but on the basis of their membership in the union. As such, whether the voices of grassroots unions can be heard through middle and top-level labor unions is important to examine regarding the political participation of Taiwanese workers. In other words, a key factor in the political participation of workers is the institutionalization of the labor union system.

In analyzing the Taiwanese labor union system from this standpoint, although Taiwan was then in the midst of martial law, and civil society groups pushed for the development of political freedoms, the legal regulation of laws was not very strict. But where institutionalization for the labor system was concerned, this was outstanding, with a very comprehensive labor union system from top to bottom. At the top was the Chinese Federation of Labour, beneath which was provincial, county, and city labor unions. These did not allow individual members to join.

At the grassroots were company unions, party-run unions, and individual unions. The purpose for this labor union existing was to use labor unions for the sake of the party, to allow labor unions as an external mechanism for the operations of the party.⁵⁴⁴ In terms of operations, this was completely integrated into the party-state. The institutionalization of labor unions in this way served as a mechanism for political control during the authoritarian period, as directed by union cadres. This has been very consistent through historical changes in Taiwan.⁵⁴⁵

In the process of Taiwan's democratic transition, the DPP and other newly formed political groups were a large source of pressure regarding the KMT, forcing it to shift its relation to civil society groups.

During the long-term process of institutionalization, although the KMT encouraged setting up public unions, in government-run and mid-level provincial, city, and industrial unions, and top-level national unions such as the Chinese Federation of Labor were substantively controlled by the KMT. Tactically, newly formed labor unions were also forced to stand on the side of conflictive groups, causing them to become aligned with the DPP.

A significant characteristic of this period was that a large number of labor unions came into existence. The trend of starting labor unions was set off by politics during that period, but on the other hand, there were minor divisions between these labor unions. Outside of factory labor unions, industrial labor unions, and occupation unions were also formed, significantly raising the number of labor unions.

This has led to the mistaken belief in research into this period that labor unions had autonomy. But in 1995, the national health insurance system was being implemented, and the worker's health insurance system was being expanded, as well different forms of insurance for workers in government-run industries, for farmer's fishermen, and others.

⁵⁴⁴ See Li Yunjie, *Taiwan gonghui zhengce de zhengzhi jingji fenxi* (Juliu Tushu, 1992), Chapter 4, *Taiwan diqu zhengce zhi xingcheng*.

⁵⁴⁵ *Ibid.*, Chapter 5. *Taiwan diqu gonghui zhengce de fazhan hua*.

Before the implementation of the National Health Insurance, workers originally covered by the labor insurance were limited to the voluntary private insurance in some industries. Whether to provide labor insurance or not was the responsibility of the business owner and most insurance fees only paid for occupation harm, without anything for regular illness.⁵⁴⁶ There were not yet labor unions formed in the majority of small to medium-sized enterprises.

Likewise, insurance was difficult for some because of the mobility of some workers, with frequent changes in workplace or industry, and so starting occupational or industrial unions was for this purpose. With the increase in occupation and industrial unions in Taiwan, workers could use occupational or industrial unions as means to apply for insurance or apportion costs, even if there was disparities in this during this time. Yet on the other hand, this led to some unions being used simply as a means to apply for insurance, without involvement in labor issues.

Joining a [occupational/industrial] labor union was just for getting insurance. There was no company union, so joining these unions...apart from handing over health insurance fees, there wouldn't be any involvement with the union, and it's just a company that serves us...⁵⁴⁷

These industrial and occupational unions primarily mostly served to provide insurance, as though they were like government organs. They had a mutually competitive relation with industry, and were the extremity of the central insurance system. They were responsible for investigating and establishing insurance for workers and the according rights and they had limited powers of inspection, accordingly.

This also served as a justification for the institutionalization of the labor union system and this led to a possible loss of such privileges. In this process, unions simply served as labor insurance offices.

With the institutionalization of the national labor insurance system in terms of economic and bureaucratic relations, the institutionalization of unions during the democratic transition was bound up with the economic system and political system in the process of the institutionalization and development of the national healthcare system. Examining this from a macro-level point of view, the labor union system had accepted the work of labor insurance, and this became a point of mutual competition between labor unions, and this was a means by which the labor union system served as an extension of the bureaucratic and political system. To look at this from the micro-level, unions and workers confronted unresolved questions of structural legitimacy. Although unions were able to integrate these

⁵⁴⁶ In 1950, the Taiwan Provincial Government entrusted the Taiwan Life Insurance Company with handling labor insurance. Laws regulating labor insurance were passed in 1958 and these began to be implemented in 1960. Although an institutionalized labor insurance system was set up, individuals or companies substantively did not join labor insurance. There were no penalties or light penalties in this process.

Only until the launch of the National Health Insurance in 1995 and the implementation of the Labor Pension Act in 2005, that the popularity of labor insurance increased significantly.

⁵⁴⁷ 2012 interview with an industrial union worker

systems by way of the insurance system, this also became a reason why workers did not stay as part of labor unions afterward.

Compared to the appearance of large number of labor unions during Taiwan's democratization, during the period of democratic consolidation, the labor union system's insurance, importance in the labor union system shifted to the labor union system. The labor union system set up during the authoritarian period and Taiwan's democratic transition had an intimate mutually embedded relation and, although the majority of labor unions had stronger ties with strategic groups, even if so, they came to form a mobilizing capacity for conflictive groups.

Street protests, forming a party, and becoming a political opposition were all development stages for civil society groups. For an opposition group to take power, outside of armed revolution in the process of democratization, then this would be winning elections in the political system. But during Taiwan's democratization, with changes in political power being a normal state, at the core of strategic groups and conflictive groups were a political party, which had various relations with legal, illegal, and registered or unregistered labor parties, which served to draw political support for voting.

For the dangwai movement to obtain a legal status, it formed the DPP. This also reflects when the process of Taiwan's democratization entered the democratic transition. In the present, the three largest labor union organizations in Taiwan at present at the Taiwan Labor Front,⁵⁴⁸ the Labor Rights Association,⁵⁴⁹ and the Worker's Legislative Action Committee.⁵⁵⁰

Originally, labor groups oriented toward one political party or the other. But in the process of Taiwan's democratization, the previously unshakable status of the KMT showed signs of loosening. This is also reflected in that the legally ordained national union system showed signs of loosening, creating a path to political participation for workers, and breaking apart the system of weakened labor unions that the KMT maintained.⁵⁵¹

After 1997, on the one hand, labor unions and labor organizations could set up political parties, and workers could directly participate in politics. On the other hand, self-organized unions and labor organizations, decided to form a national union, the Taiwan Confederation of Trade Unions, in order to throw off the official, bureaucratized Chinese Federation of Labor.

⁵⁴⁸ Formed in 1984 out of the Taiwan Workers' Legal Assistance Committee. It oriented more toward the DPP, historically.

⁵⁴⁹ Some members of the organization left in 1988 due to disputes over political position and the organization's political line. The organization tends to be close to the Labor Party and for leaning toward the pro-unification camp.

⁵⁵⁰ Formed in 1992. It is most famous for organizing the "Autumn Struggle" demonstration in November every year, which mobilizes around the most important labor issue of that year. In 2006, it was reorganized into Raging Citizens Act Now and in 2011 was registered as a political party, the People's Democratic Party. As a political party, it an anti-rightist, anti-fascist party.

⁵⁵¹ Trade unions under such conditions were often controlled by politicians and representatives of management. Politicians taking on positions as trade union cadres were controlled and funded by the management, rather than serving as legitimate representatives of workers, or taking action to compete with management.

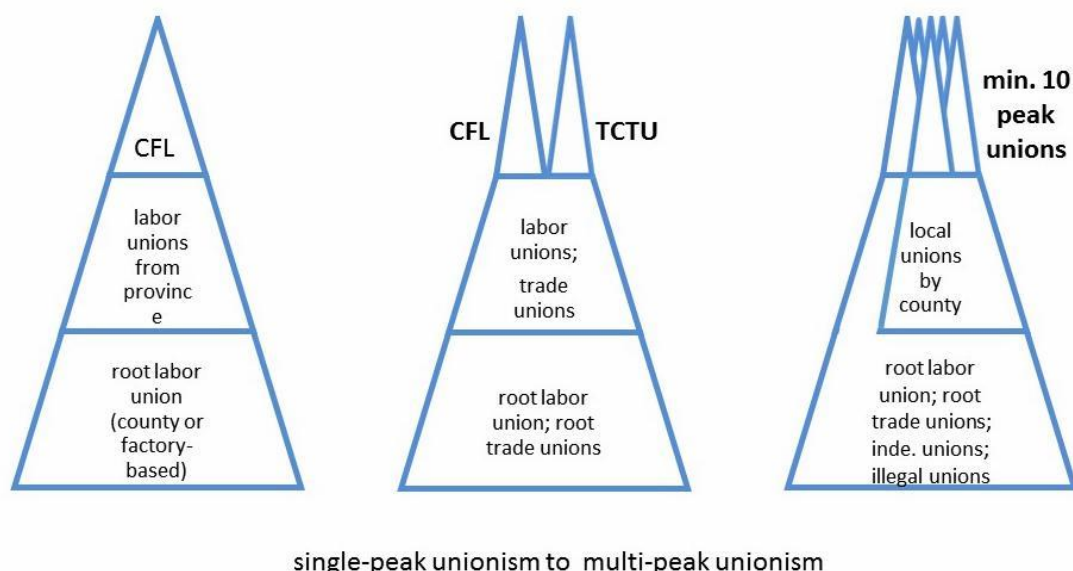
With such strategic aims, operating “outside of the system” was the pressure that self-organized unions and labor organizations faced in 2000 with regards to the votes of 300,000 union members. At the time, there were five different groups of candidates, competing for votes.

As Chen Shui-bian won election in March of that year and Chen Chu served on the chair of the Committee of Labor, a National Assembly was held on International Worker’s Day on May 1st.⁵⁵² This reflected a transition in the history of Taiwan’s labor movement, in which the unilateral union system became a thing of history, and national unions also served as a form of political representation for labor unions.

But this did not lead the Taiwanese labor union system to stabilize, but only served as a brief moment in the history of Taiwanese labor. That national labor unions served as a form of political participation on the one hand, reflecting self-organized labor unions and labor organizations, were encouraged. When the DPP began the process of amending labor laws, they had to begin to seek the approval of top-level labor unions, something that damaged workers’ basis for political representation.

In the course of consolidating Taiwan’s democracy, politicians and workers’ groups forming alliances became increasingly common. In facing pressure as an opposition party for the first time in its history, politicians would form parties, adding to pressures for workers to pick sides. In a short time, there would be ten national level labor unions, and the pyramid of Taiwan’s union system came to have two different union systems. In the end, this led to the current labor union system. This can be seen in figure 6.2.

Figure 6.2. : The structural development of Taiwan’s union system



⁵⁵² The presidential inauguration is on May 20th. As such, Chen Shui-bian took place in the formation of the Taiwan Confederation of Trade Unions before taking office. In other words, before changes to the Labor Union Act, he recognized the place of the union as a national union.

Source: by the author

Even if Taiwanese workers lost their jobs, they could transition to become capitalists.⁵⁵³ Politicians stood on the peak of the political landscape, with labor unions maintaining their legitimacy and serving as a political tool for them. Talk of revising the Labor Union Act began during the start of Taiwan's democratization, but it could not be amended during the first democratic transition in 2000. This was delayed until 2011. This was not because of labor unions, but because the labor union system gave rise to issues regarding political and economic distribution.

Apart from issues regarding political legitimacy, as described before, the national insurance system was tied to worker's union identity in terms of national finances, and this created issues regarding distribution between workers, capitalists, and politicians. This created a complicated relation between the three, in which workers had to obtain insurance from unions, and unions were unable to participate in political activity.

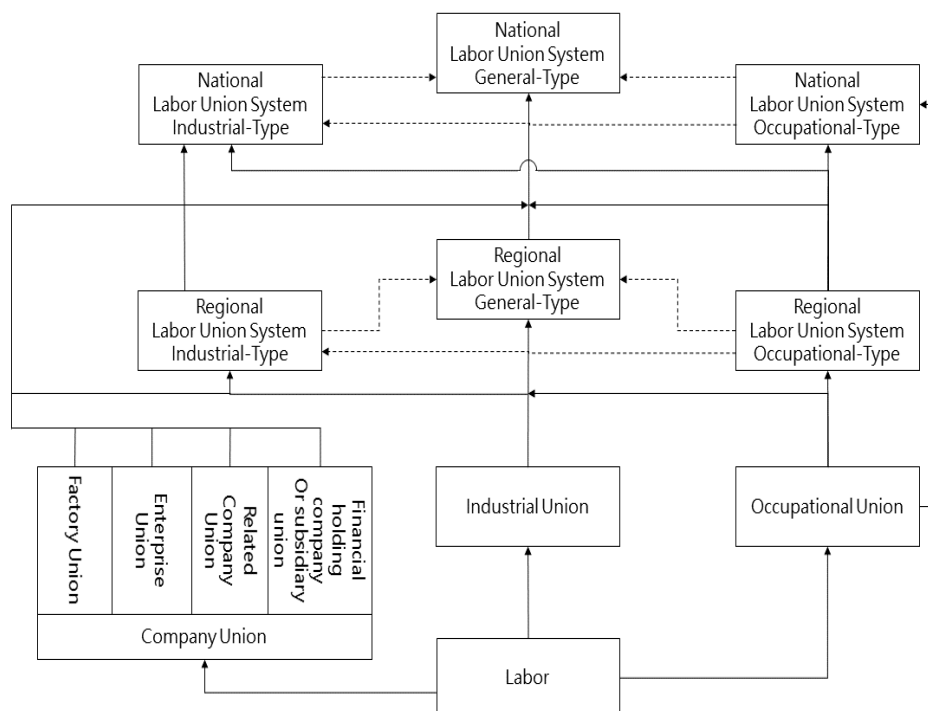
There was no way for any union to declare that it represented workers across nations as a whole, and the labor union system was unable to substantively participate in politics. This led to mutual competition between unions, with grassroots movement competing with the national labor unions against an outflow of resources, and competing with grassroots labor unions for resources.

For middle-ranking labor unions at the city, county, or industrial level, the lower level labor unions served as intermediaries that they could influence to a certain extent. But where representation was concerned in Taiwan's political system, there was the need to negotiate and compromise, and this led to issues, satisfying the demand for representation of workers at the level of county or city representatives, and these views could only be represented at other levels. Economically, it was the grassroots unions and factory unions which were closer to workers that assumed responsibility for insurance.

As such, middle-level county and city unions became tools of political influence, and its political influence was cultivated by politicians. However, the grassroots trade unions or factory workers may not necessarily be limited to the actual situation of a single county or city because the business scope of the enterprise does not necessarily require middle-level trade union organizations to speak for or represent them. In this way, the structure of Taiwan's union system was not exactly pyramidal, with some complicated exchanges in the overall system. One can see this in Figure 6.3.

Figure 6.3. : Labor union system after 2011

⁵⁵³ See 6.1.2



Source: CLA, 2011.

This had a substantive influence in terms of the labor union system's implementation. In terms of embedded democratic theory, one makes the following observations:

1. The labor union system was constituted out of a hierarchical labor union system. This had a certain legitimacy as a labor union system. However, in the middle level unions and above, the membership is not made up of grassroots union members, but of labor unions themselves.

As it is not possible to form labor unions in the majority of Taiwan's small to medium sized enterprises, workers had economic factors that led them to join industrial and occupational unions in order to obtain health. Workers in different industries already had the opportunity to conduct exchanges in their daily lives, not to mention shared experiences, and working hours in Taiwanese society were long, resulting in that they could not hold regularly scheduled assemblies.

With routine elections in the labor union system, union cadres who were above the middle-ranking level or that workers became willing to compete for posts as labor union cadres, it was easy for there to be struggles over legitimacy as a labor representative. This led for there to be factions in the top-level union elections for middle-level labor unions. Union cadres that began in the political sphere, usually were simply taking up posts for a time in the political sphere. Unions and the union system became a terrain of contestation between the strategic and conflictive groups.

2. The structure of labor unions became an obstacle to legitimacy. There was not the possibility for workers to assemble or mobilize. Even if certain issues could create opportunities for social gatherings, this was on a short-term basis, and local class consciousness was not high enough to form a social movement or to influence policy. The collective political willpower of workers could not establish a social consensus, workers and labor union cadres could not have mutually embedded experiences, and under these structural conditions, political freedoms were deprived from grassroots labor unions.
3. Civil liberties for labor unions were only recently permitted. Industrial civil liberties were founded in class consciousness, through which workers sought political participation in order to address issues regarding economic distribution. From the start of the martial law era in Taiwan, on the one hand, there were limits to the implementation of these liberties for industrial workers, though on the surface level, it appeared as though the bureaucratic system had implemented civil liberties for workers.

But because of martial law, there was no way to substantively implement these civil liberties.⁵⁵⁴ The KMT used the history of peasant and worker's revolutions of its enemy, the CCP, in order to instill social fear. It was claimed that workers held the identity of workers and political rulers, claiming that they could hold positions as workers, capitalists, and politicians, so there was no need for a social revolution in order to achieve social justice.

On the other hand, to achieve these high political aims through workers' laws, even if workers assembled to take action, they would be highly regulated. There would be pressure that this action was legal and in creating the perception that labor actions were illegal, this became an obstacle to further actions.

Regarding the development of civil liberties for unions during Taiwan's democratic consolidation, this inherited the trend of institutionalization from the authoritarian period. Continuing the expansion of civil and industrial liberties in the legal system, with this sometimes mistakenly believed that civil liberties were exercised only in labor-capital relations and not in politics.

In other words civil liberties for workers were disregarded. For example, when Tsai Ing-wen was asked about protests against changes to the Labor Standards Act regarding one fixed rest day and one flexible rest day, she said, "Taiwanese workers don't take their grievances to capitalists, they protest the government, but the government is collectively owned...it's like that."⁵⁵⁵

With such mistaken views, workers lost their political consciousness in the process of Taiwan's democratization. This led to a standstill during democratic consolidation for workers. For workers, this was not because they were unwilling to participate in politics, but structurally, strategic and conflictive

⁵⁵⁴ Wang Zhen-huan and Fang Xiao-ding, "Guojia jiqi, laogong zhengce yu laogong yundong"

⁵⁵⁵ *Liberty Times*, "Zhengfu gong qin bian shizhu? Ta cheng 'laogong yu laoban jiu guisuo'", January 16, 2017, sec. LTN.

groups took unilateral action without prior consultation. Monopolizing political power.

4. The complicated labor union system led to issues holding individuals accountable for standards. Although the labor union system was a pyramidal structure, for policy to communicate down or up was a pyramidal structure. With workers divided between different unions, there did not exist horizontal relations between labor unions either.

The political system carried out executive, legislative, and judicial duties, and the union was treated as an oversight committee for executive tasks, or as a secondary form of oversight. Although the two systems may appear equal, substantively this is unilateral in nature.⁵⁵⁶

This was the case with many unions. For example, between the Taipei Union Labor Association and the New Taipei General Union, they should in theory be equal and have the possibility to cooperate on shared labor issues, but they would instead blame each other. Likewise, apart from that many workers took out insurance by joining labor unions, forcing unions to take up the responsibility for managing insurance, led to economic competition between labor unions. This further lowered the possibility for cooperation.

5. Effective administration of unions could be divided into two aspects. Mid-level labor unions could effectively give orders to labor unions below them. On the one hand, workers in labor unions did not have the substantive capacity to politically mobilize. Between the top, mid, and low levels, political orders were only transmitted downward in this structure.

This led to close links between unions, regarding the political relations for social insurance. Apart from social insurance being administered by unions through government regulation, this made it difficult for mobilizations to take place through the union system.

Only through joining an insurance policy or changing policy does one enter the offices of a labor union, and information is primarily sent out through text message. When disputes occur between labor and capital, one usually searches in one's personal network for assistance rather than seek out a labor union. As such, unions take up administrative work or there is a subordinate relation between labor unions, as a division between workers.

2. The political effects of divisions between the private and public sector market

After the KMT came to Taiwan, it brought with it around 15% of the population that later became known as waishengren.⁵⁵⁷ These individuals were not familiar with Taiwan, and had to depend on the assistance of the military and police to survive, consequently becoming key supporters of the KMT. Moreover, after the KMT was pushed toward Taiwan, confronting the bensheng population that had

⁵⁵⁶ See 5.13

⁵⁵⁷ See 4.2.1

gone through fifty years of Japanese colonization, it needed to establish a basis for its political legitimacy in ruling Taiwan.

Under these historical circumstances during the authoritarian period, waisheng groups became key supporters for the KMT. This reflects why work unions in the labor market were handed to waishengren, as well as a small portion of benshengren. Members of the military, public servants, and teachers became a special class in Taiwan's labor market, different than regular workers. In this way, Taiwan's political workers were divided between the private and public sector were divided and it proves difficult for workers between the two to cooperate, creating a strong antagonism between social groups in Taiwan.

Members of the military, public servants, and teachers came to constitute a special group in society. In terms of who the ruling party would need to control, members of the military had arms, and could preserve social order, and in this way were of utmost importance, particularly when it came to suppressing protests. The hierarchy of members of the military didn't come from work ability, but came from the ability to listen to orders.

Public servants' duties included maintaining the operations of the bureaucratic system of government, as discussed in the fourth chapter, but also included individuals that worked in government-run or party-run enterprises. Hierarchy among public servants arose from national exams and personnel evaluations. Waishengren also had the advantage in these groups.

As for teachers, they had a political task in Taiwanese society. As with public servants, teachers had to take national exams, and undertake specialized training. They had to attend "normal schools" for training as teachers, different than regular colleges and with a different curriculum, in order to have the qualifications to teach in elementary school, middle school, and senior high schools. Taiwan's normal schools occupied the work market up until 1994, when the Teacher Education Act replaced the Teacher-Training Education Act, allowing for regular college students to become teachers.

Public servants, teachers, and members of the military held a close political relation with the ruling regime. But during the period of Taiwan's transition, when martial law was still in effect, free elections began to be held. These regularly held elections had some elements that were open to competition, but this gradually became more universal, and there was the shift toward direct elections.

During the period of Taiwan's democratic consolidation, all elections in Taiwan became direct in nature, coming to serve as a point of conflict between strategic and conflictive groups. Members of the military, public servants, and teachers became targeted in appeals by political parties. As in the previously described historical factors, there was a division of labor between these groups and the KMT, including that party-run and government-run enterprises relied on public servants and were monopolized by these groups.

As a result, the DPP, which was part of the conflictive group and was the opposition party, sought the support of workers in the private sector. But when the DPP took power and controlled the national apparatus, workers in the public sector would worry that their advantageous conditions would be taken away, yet relatively easily accepted the DPP's labor reform policies and social changes.

In analyzing this situation, we can see why the DPP occupies a politically advantageous position. On the one hand, private sector workers hope for the DPP to change Taiwan's labor markets, and have no way to avoid the counterattack of public sector workers. On the other hand, the KMT has long had embedded relations with public sector workers, and will have the support of many public sector workers regardless of whether it is the ruling party or opposition party, yet it has difficult winning the support of private sector workers. It is very easy for there to be a divides in Taiwan's workforce in this way.

Chart 6.14. : The ability of the KMT and DPP to mobilize public and private sector workers

	Public sector workers	Private sector workers
KMT is the ruling party	Must maintain or expand benefits for public sector workers to attract their support	Due to limited resources, benefits for private sector workers are allowed for
KMT is the opposition party	No way to influence the benefits of public sector workers, cannot use the gap in benefits between public and private sector workers as a strategy for a political movement, may lose the political support of public sector workers	Unable to give benefits in exchange for political support
DPP is the ruling party	Controls the benefits of public sector workers as a tool for political exchanges. The public sector labor market forms the basis for internal competition, public sector workers must use political support to win positions	With limited resources, private sector workers are required to show understanding
DPP is the opposition party	There is no way to influence benefits for public sector workers, but uses the gap in benefits for private and public sector workers as a strategy to form a political movement	Private sector workers are willing to offer political support, hoping for an expansion of benefits after taking power

Source: by the author

As seen in the above chart, the differences between the DPP and KMT does not only reflect differences regarding who controls the bureaucratic apparatus. This also reflects that the two parties confront different circumstances during social

mobilization. In other words, the KMT created the system in which public sector and private sector workers are strongly divided in Taiwanese society and the DPP has not yet succeeded in using the gap between public and private sector workers for the sake of political mobilization.

In analyzing the labor market with two different political parties, one can observe this sort of social circumstances. If the DPP can maintain the political support of private sector workers, the KMT must rely on the support of the comparatively smaller number of public sector workers, and this makes it difficult for the KMT to compete with the DPP. As such, if the KMT wishes to win in direct elections, it must resolve the inability of private sector workers to mobilize. This inference fits quite close to political reality, and may be a key reason as to why the KMT was able to successfully win in Kaohsiung mayoral elections in 2018.

In 2018, Kaohsiung mayoral candidate Han Kuo-yu of the KMT was able to defeat the DPP candidate, claiming to be a member of the common people, and claiming to understand their suffering. Dissatisfied members of the public strongly identified with him.

In the end, Han won by 150,000 votes over Chen Ch-mai of the DPP, ending 33 years of the DPP holding power in Kaohsiung. Han Kuo-yu subsequently ran for president in 2020. During his campaign, Han tried to establish a dividing line between himself and other KMT politicians, for example, rarely wearing a formal suit and tie to establish himself as a president of the people.⁵⁵⁸ However, in June 2020, Han was recalled as mayor of Kaohsiung, as the first mayor in Taiwanese history to be successfully recalled.

In analyzing the mobilization capacity of Taiwanese workers, Han rose out of the KMT, and so had the natural support of public sector workers. Kaohsiung is a more industrial city, compared to other parts of Taiwan, with comparatively more private sector workers compared to other electoral districts. The central department of labor for the DPP, unlike other parties, is not located in Taipei, but is set up in Kaohsiung, and the electoral influence of private sector workers can clearly be seen.

As such, this suggests that emphasizing being a common, everyday person is an effective electoral strategy for winning the support of private sector workers. Chen Chu, who served as mayor of Kaohsiung for 12 years, too, was also skilled at interpersonal relations with everyday people.⁵⁵⁹ Playing up this aspect allowed the KMT, which struggled with attracting the support of private sector workers, to defeat the DPP in the political arena in Kaohsiung. Although Kaohsiung had long been controlled by the DPP, labor benefits were insufficient, leading Han to unexpectedly take power.

⁵⁵⁸ On September 8th, 2019, Han Kuo-yu held an election event in Sanchong in New Taipei City. Former president Ma Ying-jeou was jeered by Han supporters during his speech. Han criticized Ma on a television debate on December 29th, 2019, stating that he had failed politically and was weak.

⁵⁵⁹ Xu Xiu-e, "Kaohsiung: han liu wei he paishandaohai? Chen ju shou du songkou zheyang chengzan hanguo yu," China Times, November 21, 2018

Up to the presidential election, the conflict between private sector and public sector workers was increasingly apparent. Apart from the president needing to confront the awkward situation of attracting the support of private sector workers, there is unsystematic discussion among public sector workers regarding their salaries, working hours, workplace division of position, and pension funds. It is very easy to forget one side or another.

In using the discourse of everyday voters, then, Han entrapped himself in an awkward situation during his presidential run. On the one hand, he was unable to persuade private sector workers that he would expand their benefits, and on the other hand, was unable to respond to the demand of public sector workers for their benefits to be restored. Han also picked a political path that weakened connections within the party, and was unable to prove his personal suitability as a presidential candidate, key reasons for his defeat in the presidential election.

As such, for individuals and political parties, to win direct elections, one needs to build mobilization capacity from public and private sector workers. The divides in the labor market are deeply linked with political participation and politicians need to confront divisions in the labor market when running for office, though this also frequently leads to rapid shifts in political evaluations.

6.2. Strategic groups

During Taiwan's democratic consolidation, the union system had to face politicians in the strategic group and conflictive group. As a result of institutionalization, paths for political participation by Taiwanese workers were reduced by politicians, with few options left outside of voting.

What was left for workers was grassroots unions, but with unions serving as a means for national health insurance and occupational union, political participation for workers was limited in the political sphere. It proved difficult to have social consensus regarding labor issues.

6.2.1. The formation of the union system and social embeddedness

Given the process of institutionalization of the union system described previously, the pyramid structure of the union system in Taiwan, which was originally unilateral from the parent unions, transitioned to a dual track union system, which then became multi-layered. Of course, the most important event in this was the formation of national labor unions.

When Chen Shui-bian won the presidential election, before taking up the position of president, he attended the meeting establishing the Taiwan Confederation of Trade Unions (TCTU). With the amendment of the Labor Union Act, this gave the TCTU a legitimate place in the law.

In return for this action, the TCTU supported the DPP in the first presidential transition of power from. But this also led to a more general wave of labor unions formation, with union members using their freedoms of assembly to form labor unions and use this as an important path for political participation. At present in 2020, there are 909 company unions, 4,195 occupational unions, 218 industrial

unions, and 270 general unions. One can examine the following chart of registered labor unions.

Chart 6.15. : Local labor unions and labor union confederations

	Number of labor unions ⁵⁶⁰	Number of labor union federations (composed of linked unions)
Registered department of labor ⁵⁶¹		119
Taipei city ⁵⁶²	619	30
New Taipei city ⁵⁶³	446	5
Taoyuan city ⁵⁶⁴	510	4
Taichung city ⁵⁶⁵	474	5
Tainan city ⁵⁶⁶	408	5
Kaohsiung city ⁵⁶⁷	826	20
Hsinchu county ⁵⁶⁸	174	2

⁵⁶⁰ Not including labor unions that were added later

⁵⁶¹ Information from the Ministry of Labor website. Proceed in the following order on the website: 業務專區>勞資關係>勞動三權知識服務專區>勞工結社>工會事務的公開資訊.

⁵⁶² Taipei City has 359 occupational labor unions, with 67 industrial unions, 193 company unions, and a total of 619 registered labor unions. Information from the Taipei city government Department of Labor. Proceed in the following order on the website: 業務服務>工會服務>工會名單.

⁵⁶³ New Taipei City has 324 occupational unions, 32 industrial unions, 90 company unions, and a total of 446 registered unions. Information from the New Taipei City Department of Labor. Proceed in the following order on the website: 工會服務>工會名錄.

⁵⁶⁴ Taoyuan City has 319 occupational unions, 16 industrial unions, 175 company unions, and a total of 510 registered unions. Information from the Taoyuan City government Department of Labor website. Proceed in the following order on the website: 台中市政府勞工局>台中市工會組織名冊>本市所轄各工會上網公告版.

⁵⁶⁵ Taichung City has 401 occupational unions, 13 industrial unions, and 60 company unions, with a total of 474 registered unions. Information from the Taichung City government Department of Labor website. Proceed in the following order on the website: 業務資訊>勞資關係服務>工會籌組輔導>桃園市各級工會名冊.

⁵⁶⁶ Tainan City has 340 occupational unions, 15 industrial unions, 53 company unions, and a total of 408 registered unions. Information from the Tainan City government Department of Labor website. Proceed in the following order on the website: 勞資相關業務>工會會務>台南市各產職企業工會名冊.

⁵⁶⁷ Kaohsiung City has 627 occupational unions, 44 industrial unions, 155 company unions, and a total of 170 registered unions. Information from the Kaohsiung City government Department of Labor website. Proceed in the following order on the website: 便民服務>高雄市各類型工會清冊.

⁵⁶⁸ Hsinchu County has 123 registered occupational unions, 8 industrial unions, 43 company unions, and a total of 174 registered unions. Information from the Hsinchu City government Department of Labor website. Proceed in the following order on the website: 新竹縣企業工會名冊.

Miaoli county ⁵⁶⁹	157	3
Changhua county ⁵⁷⁰	239	7
Nantou county ⁵⁷¹	147	1
Yunlin county ⁵⁷²	216	3
Chiayi county ⁵⁷³	124	1
Pingtung county ⁵⁷⁴	170	2
Yilan ⁵⁷⁵	215	1
Hualien ⁵⁷⁶	144	2
Taitung ⁵⁷⁷	77	1
Penghu ⁵⁷⁸	21	2

⁵⁶⁹ Miaoli County has 133 occupational unions, 4 industrial unions, 20 company unions, and a total of 157 registered unions. Information from the Miaoli County government Department of Labor website. Proceed in the following order on the website: 苗栗縣企職業工會名冊.

⁵⁷⁰ Changhua County has 197 occupational unions, 7 industrial unions, 35 company unions, and a total of 239 registered unions. Information from the Changhua County government Department of Labor website. Proceed in the following order on the website: 業務專區>工會專區>已成立工會名冊.

⁵⁷¹ Nantou County has 136 occupational unions, 2 industrial unions, 9 company unions, and a total of 147 registered unions. Information from the Nantou County government Department of Labor website. Proceed in the following order on the website: 局處>社會及勞動處>南投縣工會名單.

⁵⁷² Yunlin County has 192 occupational unions, 2 industrial unions, 22 company unions, and a total of 216 registered unions. Information from the Yunlin County government Department of Labor website. Proceed in the following order on the website: 公布欄>縣府公告>雲林縣工會名冊.

⁵⁷³ Chiayi County has 112 occupational unions, 12 company unions, and a total of 124 registered unions. Information from the Chiayi County government Department of Labor website. Proceed in the following order on the website: 業務專區>勞工福利>職業及企業工會名冊.

⁵⁷⁴ Pingtung County has 153 occupational unions, 17 company unions, and a total of 170 registered unions. Information from the Pingtung County government Department of Labor website. Proceed in the following order on the website: 便民服務>屏東縣所轄工會名冊.

⁵⁷⁵ Yilan County has 195 occupational unions, 8 industrial unions, 12 company unions, and a total of 215 registered unions. Information from the Yilan County government Department of Labor website. Proceed in the following order on the website: 表單下載>勞動行政科>宜蘭縣各職業工會簡冊.

⁵⁷⁶ Hualien County has 123 occupational unions, 10 industrial unions, and 11 company unions. Information from the Hualien County government Department of Labor website. Proceed in the following order on the website: 工會團體>勞資料>工會名冊.

⁵⁷⁷ Taitung County has 73 occupational unions, 2 industrial unions, 2 company unions, and a total of 77 registered unions. Information from the Taitung County government Department of Labor website. Proceed in the following order on the website: 資訊公開專區>勞工行政科>工會名冊。資訊公開專區>勞工行政科>工會名冊.

⁵⁷⁸ Penghu County has 2 occupational unions, 1 company unions, and a total of 21 registered unions. Information from the Penghu government Department of Labor website. Proceed in the following order on the website: 業務專區>勞工權益>工會專區>工會一覽表.

Kinmen ⁵⁷⁹	21	2
Lienchang county ⁵⁸⁰	4	1
Keelung ⁵⁸¹	195	7
Hsinchu city ⁵⁸²	161	2
Chiayi city ⁵⁸³	117	2

Source: Organized by the author from the Department of Labor website and the websites of various city governments

Despite the opening up of freedoms to assemble in the course of Taiwan's democratization, Taiwan's society perceives these as simply the freedoms for groups to gather in places, rather than assembling for the sake of protesting social issues. This makes it difficult for labor unions to assemble with any political aim, creating a form of social division.⁵⁸⁴ The freedom of unions to assemble is a vague slogan in the law, without provisions to allow them to achieve any organizational aim. Consequently, unions face the challenge of various forms of institutionalization.

Although the statistics may make it appear as though there is a high rate of unionization in Taiwan, or that there are many labor parties in Taiwan, seeing as there are many parties in Taiwan related to labor, they lack representation in politics.⁵⁸⁵ Taiwan has many political parties, but in this current historical period, there are not more than five political parties that have been able to enter the central government. And, out of the 370 political parties that exist in Taiwan as of

⁵⁷⁹ Kinmen County has 16 occupational unions, 4 industrial unions, 1 company union, and a total of 21 registered unions. Information from the Kinmen County government Department of Labor website. Proceed in the following order on the website: 政府資訊公開>統計專區>工會名冊.

⁵⁸⁰ Lienchang County has 3 occupational unions, 1 industrial union, and a total of 4 registered unions. Information from the Lienchang County government Department of Labor website. Proceed in the following order on the website: 連江縣人民團體名冊公告專區>連江縣立案人民團體名冊.

⁵⁸¹ Keelung City has 182 occupational unions, 1 industrial union, 12 company unions, and a total of 195 registered unions. Information from the Keelung City government Department of Labor website. Proceed in the following order on the website: 勞工福利專區>勞工規則及福利>工會組織>工會名冊.

⁵⁸² Hsinchu City has 156 occupational unions, 52 company unions, and a total of 161 registered unions. Information from the Hsinchu City government Department of Labor website. Proceed in the following order on the website: 勞資關係>工會組織>新竹市各級工會團體組織名冊.

⁵⁸³ Chiayi County has 108 occupational unions, 1 industrial union, 8 company unions, and a total of 117 registered unions. Information from the Chiayi County government Department of Labor website. Proceed in the following order on the website: 資料集清單>嘉義市工會名冊.

⁵⁸⁴ In 1848, Marx and Engels stated in the Communist Manifesto, "Workers of the world, unite!" When Taiwan's first national labor organization, the Taiwan Workers' Federation was established in 1928, Chiang Wei-shui stated similarly, "Comrades must unite, their unity has strength." Later on, labor organizations often used this rephrasing of Chiang's as a slogan.

⁵⁸⁵ See 5.3.2

2020, it remains the two major political parties that are able to make political decisions or make long-term political decisions.

The opening up of political freedoms has allowed for many labor unions or labor parties to be formed. But the average person still does not believe that the parties that exist now can represent them, more commonly seeing them as all being rotten apples.

Workers' doubts about the representation of trade unions stem from the institutional consequences of structural factors. Political mobilization capacity was institutionalized or was forced so that only certain channels of political participation were available. In analyzing the current ability of labor unions to mobilize or the positions they occupy in the political domain, we find that labor unions should have a large social force to mobilize, but that they lack the ability to influence institutionalized laws regarding labor:

1. We find that legislators with labor backgrounds or labor platforms will utilize cross-examination in order to question or pressure government bureaus regarding their implementation of labor laws, or seek to use social consensus to amend such laws. From the perspective of the ruling strategic group and its advantages as the ruler, this creates the political space for the strategic group.

Legislators also have service stations in their electoral districts to provide services. According to interviews, small-scale labor disputes can be resolved through mediation by legislators or local government representatives. This is not necessarily reported on in the news either, and this does not require labor protests.

However, this can only occur within the electoral district of a legislator. In other words, if workers are members of an electoral district, they can undertake mediation in this way. But at the same time, an employer or company may seek to carry out political exchanges with local politicians in engaging in mediation. Both sides draw on their local mobilization capacity in the course of mediation, which is a key factor in whether mediations succeed or break down.

2. Through protests or through holding press conferences, political struggles may see exposure and may succeed in obtaining social support. But as described previously regarding the differences between northern and southern Taiwan, this is a factor whether some protests succeed or fail.

For example, during the EVA airlines strike in 2019, there were criticisms of the inconvenience that the strike would pose to customers, and aggressive questioning during interviews as to why EVA workers had higher salaries than other industries, and why they had travel allowances that other Taiwanese workers did not have.⁵⁸⁶ Taiwan's labor market universally has low salaries and

⁵⁸⁶ EVA's company headquarters is located in Taipei, and Taoyuan International Airport is about 50 kilometers away from Taipei. Originally, flight attendants counted their working hours after reporting to the Taipei headquarters and taking transportation arranged by the office to the airport. EVA intends to relocate the check-in office to Taoyuan International Airport, causing flight attendants living in Taipei to reducing the salaries of flight attendants substantially and increasing transportation expenses.

long working hours, yet this becomes used as a way to split workers and prevent them from aligning together.

This is a factor from Taiwan's individualistic education system, reflecting middle class values, and a characteristic of advancement to the capitalist class. Class advancement is a factor as to why workers do not identify with each other, or will compare their working hours and salaries to workers in other industries. This proves another factor as to low salaries in Taiwan. This makes it hard to create solidarity between workers, as well as social consensus.

As a result, there is much space in labor disputes for the ruling strategic group to politically manipulate the outcome. On the one hand, labor disputes in the private sector need to use the bureaucratic system or national resources controlled by the strategic group, or to use the legal system to carry out negotiation to resolve these issues. On the other hand, there are still a number of government-run or party-run enterprises in the labor market and their decisions are decided by stock owners. These government-run or party-run enterprises often carry the responsibility for the development aims or political responsibilities of the ruling strategic group. As such, they will follow the economic policies of the ruling party, creating the perception that the strategic group has effective governing capacities where the labor market is concerned.

3. Through administrative institutions, unions or workers can express themselves. The Ministry of the Labor is the highest executive apparatus where Taiwan's labor system is concerned. It conducts regular and irregular assessments of Taiwan's labor market, as the best path for political participation by administrative units for workers.

Substantively speaking, it will regularly provide meetings for workers, but the legitimacy of workers and their ability to represent themselves at these meetings is routinely questioned. Particularly with regards to grassroots labor unions, in general labor unions, workers from different industries are represented, and these industries confront different circumstances, requiring some flexibility.

This may not lead to consensus on labor issues. For example, regarding the notion of instituting one set rest day and one flexible rest day, the legislature confronted the needs of many different industries. However, there was nobody that could represent all workers.

Even if consensus was achieved among workers in the union, in the administrative system, the Ministry of Labor would have to contend with the Executive Yuan, the Ministry of Economic Affairs, and the Ministry of Education. These can have conflicting priorities even when the Ministry of Labor represents the opinions of workers.

Workers are unable to develop embedded relations with these other government sectors in order to have direct dialogue. For example, when discussion national development plans and their effect on the labor market,

regarding the quota for department members in colleges, there was the need for the Ministry of Labor to intervene and engage in consultations. When the Ministry of Labor was still part of the Executive Yuan, it often had to play the role of an intermediary, rather than represent the will of workers. This is a political advantage of the Executive Yuan in the political system. In this system in which workers are represented by the relevant authorities, this leads to declining expectations.

4. By way of legislative hearings or public hearings, labor issues are able to directly enter the national legislature. During elections, various parties will raise different propositions regarding labor issues. But after elections, workers will face that members of the strategic group decide it is better to take long-term considerations into mind. So it is that they decide to hold public hearings.

In theory, legislators should take the opinions expressed during these hearings into consideration. But substantively speaking, these hearings are just for show. There is nothing legally binding about these hearings for the strategic group. Public hearings are also used as an excuse by the strategic group, claiming that they have held sufficient hearings, but that there are other opinions they need to take into account for social consensus.

The public hearings organized by the ruling party are often unilateral, one-way political explanations as well, without allowing for substantial social discussion. With regards to the social representatives or researches allowed to speak, inconvenient voices can be filtered out, or research expenses or political exchanges can be used to affect someone's political position, so they come to speak for a position.

Even if an independent researcher has a different political opinion in their specialized report, whether this point of view is accepted or not, whether this public opinion is used or not is decided by the chair. In this sort of structure, there is no way to enforce public hearing's ability to influence the legislative or executive branches of government, and it's not easy to form an opinion for the sake of formulating policy. A public opinion hearing is often merely to represent that there has been sufficient social discussion of an issue.

5. With the establishment of a specialized court for labor issues in 2020, labor unions can collect data, cases, and integrate labor laws.⁵⁸⁷ This will be of assistance to labor cases. Researchers and labor organizers have great hopes for this specialized court, hoping that settling labor disputes in the courts in this way will be more independent, allowing workers to have a more beneficial legal environment, or that at the very least, cases will not have to become so long.

After all, it is easy for mistakes to occur during longer cases, and conditions tend to be more advantageous to capitalists. It is hard for workers to take the initiative in settling out of court, due to lacking conditions. But for regular workers, to try

⁵⁸⁷ The Labor Incident Act was promulgated on December 5, 2018 and came into effect on January 1, 2020. Article 4 of the Labor Incident Act stipulates: For the purpose of handling labor cases, courts of all levels shall establish Labor Professional Courts (hereinafter referred to as Labor Courts).

and settle a case in court requires the media to report with enough awareness of labor issues, and people generally remain afraid of the courts in Taiwan, believing that those with money usually win in the courts.⁵⁸⁸ Workers also have some fears regarding this new court, fearing that the court may side with capitalist primarily over workers or that it will not rule equally and fairly.

6.2.2. External influences on the political mobilization of workers

Compared with other periods, the increasing importance of external factors was also visible during Taiwan's democratic transition. Though the strategic group was entrusted with responsibilities for national development, on the one hand, different groups were able to become members of the strategic group through elections. The result proved the opposite from electoral representatives representing the views of society as a whole. On the other hand, the political stances of the strategic group and their political behavior required making political promises in order for them to attract the support of the people to win elections.

As stated, Taiwan often proves very isolated. During the authoritarian period, this led the strategic group in the course of its parasitic colonialism to make the following political decision: That it would close off academic freedom, limit international exchanges, and finance. These were decisions undertaken by the ruling forces of society in order to protect their political power. This also affected the institutionalization of Taiwan's labor market

The bipolar competition of the strategic and conflictive groups during Taiwan's democratic transition led to the following phenomenon. With the rapid effort to complete Taiwan's democratic transition, this led to high benchmarks required for changing the Constitution. Making it difficult to change the Constitution was the agreement reached by both opposed forces, putting off constitutional issues in order to achieve a relatively stable social situation.

But during the course of Taiwan's democratic consolidation, Taiwan confronted the pressures of globalization. Yet consequently, there arose two extremes in terms of the possible foreign trade development model, the notion of China being about globalize offered by the KMT, and the model offered by the DPP, or the international world encapsulating China.

In other words, one means of ending Taiwan's isolation banked on the rise of China and called for depending closer ties with China, seeing as Taiwan is traditionally thought of as having has a linked culture, language, ethnicity, with China and is geographically close to it.⁵⁸⁹ The other possibility suggested was the opposite, believing that the two sides of the Taiwan Straits had grown too distant in terms

⁵⁸⁸Since most judges in Taiwan have passed the national examination to obtain the qualifications for serving as a judge after education, they have no social work experience or life experience. In some cases, their judgments are disputed by society and are considered like the thinking of dinosaurs, which should have been eliminated long ago and is not accepted by modern society.

⁵⁸⁹This can be seen as the traditional view regarding Taiwan and China, but both could also be thought to have relative similarities

of political system, history, and law, and that each national territory should be decided by those living on it.⁵⁹⁰

It was believed that the rise of China could lead to a new wave of economic development for Taiwan, but given China's hostility toward Taiwan, this would be to sacrifice Taiwan's autonomy for political development.

Between the strategic group and conflictive group, one possibility for Taiwan leaned in the direction of China, while the other called for de-Sinicization. This was not a choice between which path was superior, *per se*, but reflects different historical views, as having developed between the two groups. As such, with the transitions of political power that took place during Taiwan's democratic consolidation, this reflects that workers confronted two different historical views, which affected the outlook for future policies, and etc. How did these external forces interact with each other, and how did they affect Taiwanese workers? Here it proves key to analyze the social embeddedness and mobilization of Taiwanese workers.

How these two possibilities for Taiwan developed during Taiwan's democratic consolidation reflects how the China factor was Taiwan's largest external factor. China took in western influences for the sake of hoping to overcome the West, but different from the third wave democracies.

Taiwan proves a sensitive political topic for China, given their political and cultural links. In the course of globalization, there are many Taiwanese company owners who choose to set up their companies in China. Taishang is a term used to describe these voluntary/involuntary workers on both sides of the strait, and they are a group heavily affected by changes in the political and economic situation regarding cross-strait relations.

It is thought that taishang number in the millions. If we count their families, this numbers over five million people, resulting in that they could have a large influence on elections. As such, the political parties in the cores of the strategic and conflictive groups are cautious regarding cross-strait relations in part because of the possibility that this could affect elections.

While Taiwan's economy is affected by political and economic cross-strait factors, apart from taishang, 40% of Taiwanese workers are beshengren, who switch between voting for the strategic and conflictive groups because of these conflicting theories. This further influences Taiwan's political system.

In examining cross-strait relations, this is not a normal country-to-country relationship.⁵⁹¹ As such, foreign policy cannot be used as a means of providing protections for Taishang and their workers' rights. This creates space for external and internal political influence by China. Voters are influenced by the cross-strait relations of the ruling parties on both sides of the strait externally and,

⁵⁹⁰ This is a more modern view, taking into account the relative similarity of the two without a third category of analysis.

⁵⁹¹ Lee Teng-hui's proposal of special state-to-state relations has prompted both sides of the strait to face up to the political reality of cross-strait relations. This was the prelude to issues regarding national security issues between Taiwan and China becoming linked to their respective national sovereignty issues.

domestically, are also influenced by discourse regarding cross-strait relations. Decisions for which party to vote for are conducted on this basis. This creates space for political influence by political parties and politicians, drawing international attention.

In analyzing changes in the strategic group's economic policies toward China, because of shifts in China's policies directed toward Taiwan (see Chart 6.16, we can see many different iterations of this. From Chiang Ching-kuo's "Three Nos," Lee Teng's "special state-to-state relations," to Chen Shui-bian's call for "Careful restraint, effective opening up" during the first democratic transition of power to Ma Ying-jeou's "First the economy, then politics" or the notion of a peace treaty signed between China after the second democratic transition, these were all different political and economic policies directed toward China.

This also had a large influence on floating capital in Taiwan. From the start of the democratic transition, trade has become more and more active between Taiwan and China, though pro-Taiwan actors sought to reduce Taiwan's economic dependence on China.

Comparatively speaking, the Chinese government sought to cultivate comprador economic interests, to use the economic reliance of Taishang on the Chinese market, and to cultivate pro-China political parties as its spokesperson. This has contributed to the sensitivity of China as a political issue.

But this led Taiwan's domestic economic system and political system to encounter difficulties performing normal operations. For example, results completely opposite to popular will and election outcomes might take place in a short period of time, and because of external factors during Taiwan's democratic consolidation, there was no way to direct trends in Taiwan's economy.

Moreover, there were complicated relations of social embeddedness concerning Taiwan's stock market. During the first democratic transition, the DPP had no prior experience of holding power, leading to fluctuations in Taiwan's stock market. This reflects anxiety on the part of the stock market toward a politically unstable situation.

During the second transition of power, after the China-leaning KMT took power, and it promoted pro-China policies, such as allowing for Chinese investment in the Taiwanese market, and encouraging taishang to invest in cross-strait enterprises. It was hoped that China's rise could improve Taiwan's economic situation. The Ma period saw the high point of pro-China policies in Taiwanese history.

Yet there were declines in the stock market in 2008⁵⁹² and 2011⁵⁹³ that surpassed the drop in the stock market in 2000, declining from the heights of the 1990s and

⁵⁹² In 2008, when a global financial crisis broke out, Taiwan's stock market fell from 9,000 points to 4,000, and the stock market was low for two years. Although the Ma administration tried to deflect this with bullish news about rebuilding links with the Chinese economy, it sought to reinvigorate the stock market at the same time.

⁵⁹³ In May 2011, the stock market fell from 9,000 points to 6,000 points in November, and the stock market was in a downturn for nearly half a year.

2000s in which there were over 10,000 points. By contrast, after the DPP came to power again, there were two years of growth in the stock market.⁵⁹⁴

This reflects the gradual maturity of Taiwan's economic system. Even if successive administrations that took power had completely opposite economic policies, the economic system could preserve normal operations, relying on economic policy rather than the slogans of politicians. The chart below analyzes China's key economic policies directed toward Taiwan, and what the election results were, votes obtained by Taiwan's two major political parties, and Taiwan's military, political, and economic strategies during the same period:

Chart 6.16. : Policies from China directed at Taiwan

Name	Time	Spokesperson	Background	Notes
Nine conditions	1981. 10.1.	Ye Jianying	American arms sales to Taiwan of third-generation fighters	The KMT and CCP conducted equal talks, unification still seemed possible
Deng's six conditions ⁵⁹⁵	1983. 6.25.	Deng Xiaoping	The annual conference of the Association of Asian Studies was held in San Francisco in March 1983, allowing for indirect cross-strait talks	One China referred to only the PRC, it was proposed that the CCP and KMT cooperate
Qian's seven conditions	1995. 1.15.	Qian Qichen	Because of the 1997 Handover of Hong Kong	The issue of Hong Kong also brought up the Taiwan issue, with Hong Kong held up as an example of One Country, Two Systems
Jiang's eight points ⁵⁹⁶	1995. 1.30.	Jiang Zemin	Visits to see one's family began to be allowed in 1987, with the first Wang-Koo summit held in 1987 ⁵⁹⁷	One China Principle; cross-exchange economic exchanges and cooperation takes place, development of "Mini-Three Links" between cross-straits

⁵⁹⁴ See 6.5.

⁵⁹⁵ Chiang Ching-kuo suggested the notion of "One China, Better System" when asked about these conditions by the Wall Street Journal in October 1987.

⁵⁹⁶ Chiang Ching-kuo suggested the notion of "One China, Better System" when asked about these conditions by the Wall Street Journal in October 1987.

⁵⁹⁷ There were two Koo-Wang talks. The first Koo-Wang talks were held in Singapore by Koo Chen-fu, chair of Taiwan's Straits Exchange Foundation, and Wang Daohan, Chairman of China's Association for Cross-Strait Relations. The second time was in Shanghai in October 1998. The Koo-Wang talks were the first political contacts between Taiwan and China's civic representatives since 1949.

Hu's four points	2005. 3.4.	Hu Jintao	First transition of political power, first time the DPP holds political power. China passes an anti —separatism law	One China Principle; Opposition to Taiwanese independence
Hu's six points	2008. 12.31 .	Hu Jintao	Second transition of political power, the KMT retakes power	Promotes economic cooperation and a peace agreement
Xi's five conditions	2019. 1.2.	Xi Jinping	Third transition of political power, DPP takes power	Promotes cross-strait political discussions; One Country, Two Systems

Organized by the author

Chart 6.17. : Chinese strategies directed toward Taiwan and Taiwan's elections

Name	Time	Ruling party	Time period	Election victor
Ye's nine conditions	1981. 10.1.	51 KMT seats, one other seat ⁵⁹⁸	Elections expanding the number of legislative seats ⁵⁹⁹	79 KMT seats, 18 other seats
		16 KMT seats, 4 other seats	County and mayoral elections	15 KMT seats, 4 other seats
Deng's six conditions ⁶⁰⁰	1983. 6.25.	16 KMT seats, 4 other seats	County and mayoral elections	15 KMT seats, 4 other seats
		79 KMT seats, 18 other seats	Elections expanding the number of legislative seats ⁶⁰¹	83 KMT seats, 15 other seats
Qian's seven conditions	1995. 1.15.	14 KMT seats, 6 DPP seats, 1 other seat	1993.11.27. County and mayoral elections	15 KMT seats, 6 DPP seats, 2 other seats
		102 KMT seats, 51 DPP seats, 8 other seats	1995.12.2. Legislative elections	85 KMT seats, 54 DPP seats, 25 other seats
Jiang's eight points	1995. 1.30.	14 KMT seats, 6 DPP seats, 1 other seat	1993.11.27. County and mayoral elections	15 KMT seats, 6 DPP seats, 2 other seats

⁵⁹⁸ This was during the first legislative assembly term, during the third election held to expand the size of the Legislative Yuan, increasing its number of members to 97.

⁵⁹⁹ This was the second election held during the first legislative assembly increasing the number of seats, to 52 seats.

⁶⁰⁰ Chiang Ching-kuo suggested the notion of "One China, Better System" when asked about these conditions by the Wall Street Journal in October 1987.

⁶⁰¹ This was the first legislative assembly term, during the fourth elections held to expand the size of the Legislative Yuan, increasing its number of members to 98.

⁶⁰²		102 KMT seats, 51 DPP seats, 8 other seats	1995.12.2. Legislative elections	85 KMT seats, 54 DPP seats, 25 other seats
Hu's four points	2005.3.4.	Chen Shui-bian of the DPP	2004.3.20. Presidential elections	Chen Shui-bian of the DPP
		9 DPP seats, 9 KMT seats, 5 other seats	2005.12.3. Provincial and county elections ⁶⁰³	14 KMT seats, 6 DPP seats, 3 other seats
Hu's six points	2008.12.31	Chen Shui-bian of the DPP	2008.3.22. Presidential elections	Ma Ying-jeou of the KMT
		14 KMT seats, 6 DPP seats, 3 other seats	2009.12.5. Local elections	12 KMT seats, 4 DPP seats, one other seat
Xi's five conditions	2019.1.2.	13 DPP seats, 6 KMT seats, 3 other seats	2018.11.24. Local elections and national referendum ⁶⁰⁴	15 KMT seats, 6 DPP seats, and 1 other seat
		Tsai Ing-wen of the DPP, 68 DPP seats, 35 KMT seats, 10 other seats	2020.1.11. Presidential and legislative elections	Tsai Ing-wen of the DPP, 62 DPP seats, 38 KMT seats, 13 other seats

Organized by the author

Chart 6.18. : The military affairs of strategic groups in Taiwan, important political and economic decisions⁶⁰⁵

	Toward China			Toward other countries		
	Military	Political	Economic	Military ⁶⁰⁶	Political	Economic
Chiang Kai-shek 1948-1975	Oppose the communists and restore the country		Ten Major Construction Projects			

⁶⁰² Lee Teng-hui gave a speech at the National Unification Council on April 8 of the same year in response to Jiang Zemin. Its content is summarized into six items and is called Lee's six conditions.

⁶⁰³ May 14th, 2005 was the last election of representatives to the National Assembly, the sole task of which was to decide on the constitutional amendment proposed by the Legislative Yuan in August 2004. Because the National Assembly was only responsible for referendums, this did not receive much attention from the public, leading to the lowest voter turn-out in history, which was of only 23%. So it is not included here.

⁶⁰⁴ Of the ten referendum questions, No. 13 was related to national status. The proposal was to use Taiwan as the name under which Taiwan participated in international sporting events, such as the Tokyo Olympics. The voting results led to the referendum being defeated by 45.2% to 54.8%.

⁶⁰⁵ This table only lists the important policy names for each item. The blank only means that the actual policy is likely to be more complicated and involved other policies. It does not mean that there is no policy.

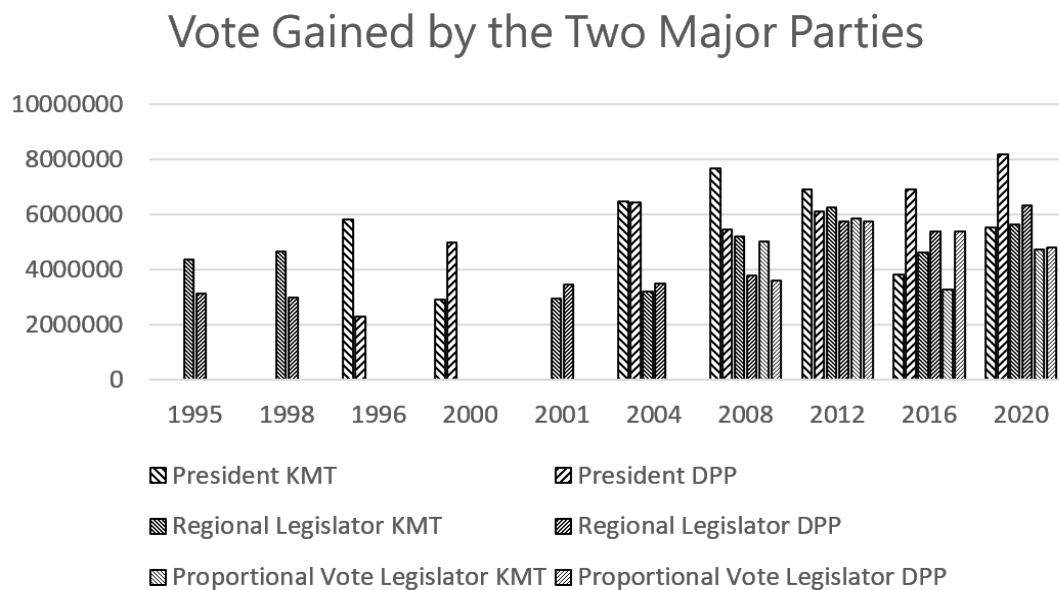
⁶⁰⁶ We might take territorial disputes as an example here, such as regarding the Senkaku/Diaoyutai islands or outer Mongolia.

			(Planning) 607			
Yen Chia-kan 1975-1978			Ten Major Construction Projects (Implementation)			
Chiang Ching-kuo 1978-1988	Three Nos Policy; One China, Better System	Innovate and Protect Taiwan				
Lee Teng-hui 1988-2000	Special country-to-country relations	Refusal to accept 1992 Consensus		Implement international exchanges, Senkaku Islands belong to Japan		Southbound Policy
Chen Shui-bian 2000-2008	One country on each side	Four Nos and One Without	Effective oversight and development of ties			New Southbound Policy
Ma Ying-jeou 2008-2016	First economics, then politics. Returned soldiers carrying out diplomacy	Acknowledge 1992 Consensus, sign ECFA	"Love Taiwan" 12 Major Construction Projects	East China Seas Peace Proposal	External diplomatic affairs	
Tsai Ing-wen 2016~	Preserve the status quo	Refusal to accept the 1992 Consensus as Taiwan's political consensus		Protect national autonomy		New Southbound Policy

Source: Arranged by the author

⁶⁰⁷ The Ten Major Construction Projects were carried out from 1974 to 1979. The most important meaning of the Ten Major Construction Projects is that the KMT shifted in viewing Taiwan as a staging ground to reconquer China to investing expenditures in Taiwan

Chart 6.19. : Votes gained by the two major parties



Source: Arranged by the author, data from the Central Election Committee

These external environmental influences that have to do with relations with China added to the demand for change in Taiwan's internal political system. The electoral system led to changes advantageous for the formation of the two party system in Taiwan.

But in examining the results of democratic elections, the DPP grew substantially in the course of elections, and became an opposition party capable of contesting the KMT, eventually becoming able to become the ruling party. Taiwan's political system became a two party system, with the strategic group and the conflictive group able to peacefully exchange power.

This was the divide between the KMT and the pan-Blue camp and the DPP and the pan green camp, although in central elections, there would occasionally be smaller parties such as the New Party, the PFP, the TSU, or the Third Force that were able to win elections. But for presidential and elections, the nucleus of the strategic and conflictive groups became the KMT and the DPP. Political transitions of power took place during presidential elections.⁶⁰⁸

This political inertia continues in the present. Taiwan's relations with China have become the most important influence on voting in Taiwan's political system. This is not the product of Chinese policies directed at Taiwan, but the voting outcome that results from the conscious and unconscious choices of the Taiwanese electorate during elections.

Eight years was the divide between the China-leaning KMT and the America-leaning DPP. This evidenced a pendulum effect in Taiwan's external relations, with the key factor influencing the political system being the policies toward China and

⁶⁰⁸ This is because the president is limited to two four-year terms.

the international world by the two parties. Other social issues primarily influenced local elections, with a weaker influence on presidential and legislative elections.

Given these structural factors, the electoral system in the political system was continually adjusted. With gradual changes, this changed from a one party system to a two party system.

The Constitution was amended in the process of Taiwan's democratic transition, removing the National Assembly, leading the Legislative Yuan to become the only central representative system in Taiwan's political system. This reflects how in the course of Taiwan's democratic consolidation, how individuals become members of the legislature, and the continual changes that happen in the course of elections.

For example, during elections, with the division between proportional and unproportional representation, the redrawing of electoral districts, and changes in how party votes were counted, it is also to be noted that Taiwan is among the minority of countries in the world with a voting age of twenty.

This is how the legislative system changed in the course of democratic consolidation. During the sixth legislative term election on December 11th, 2004, this was the first time that all seats in the legislature were put to a vote. There 41 proportional representative seats and these were voted on by voting for parties, which put forward lists of candidates. The 11th presidential election and the first national referendum was on March 20th of that year.

During the seventh legislative term election on January 2008, this was the first time that a single constituency two-vote system was used. At the same time, the second national referendum was held.

73 representative of local constituencies were elected, with six seats reserved for indigenous representatives, with three seats each for pingpu groups and mountainous indigenous. There were 34 proportional representatives, voted for using the party list system. The presidential election was held on March 20th and the third national referendum was held on March 20th that year.

The election for the eighth legislative term was held on January 14, 2012 and this was changed to a different date for the presidential election. There was no proposal for a national referendum that year. Voting for legislative elections and presidential elections were aligned, firmly establishing the notion of transitions of political power, to allow for administrative oversight. This was to prevent periods of overlapping power that would result in undulations in the political system, something that would lead to social instability and a waste of resources. At the same time, four municipalities were upgraded in Taiwan, creating six new city electoral districts that still exist today.

After the amendment of the Referendum Act in 2017, the number of people needed to propose a referendum, to sign the petition for a referendum, and for the referendum to pass was substantially lowered. Proposing referendums shifted from political parties to the people, with non-party organizations and other social groups able to propose petitions. On November 24, 2018, national referendums 7

through 16 were held on the same day as nine-in-one elections, with different groups raising different proposals. This proved an intelligence test for voters.⁶⁰⁹

With different changes in the political system since the democratic consolidation, and local elections, civil referendums, and other political activities, many researchers have admired the stability of Taiwan's democracy, given the large expansion in political activities. But in terms of substantive political activities, this excluded workers and unions.

Many social issues existed during the previous period seemed to disappear during Taiwan's democratic consolidation. In other words, labor unions and workers disappeared from the political stage and were not focused on in the course of Taiwan's democratic consolidation. This is not to say that workers did not participate in political activities, but their identities as workers weren't focused on when they did.

Consequently, workers also did not have the space to come to know each other as workers. Instead, they and others were just treated by politicians as "voters" in their political participation. This change in political consciousness, whether in the strategic or conflictive group, reveals how workers were divided between the supporters of both groups, rather than participating in workers' issues as workers.

With the large-scale institutionalization of labor-capital relations in the course of democratization, politicians and capitalists linked hands in the name of economic development. Institutionalization was used as a means of regulating and putting down demonstrations.

Although this was done in the name of maintaining social order, this reflects how the capitalist class was able to use the legal system, eliminating means that workers would use as resistance. Promotions, advancements, performance evaluations, and personal results would be used to limit worker's interests, leading workers into a trap they could not get away from. The capitalist system and bureaucratic system were able to control society in this.

Labor disputes were left only as legal problems, only allowing for activities in labor-capital relations, not large-scale assemblies in Taiwanese society. As such, labor issues became overlooked in Taiwan.

6.2.3. The struggle with political groups

Various labor groups supported the conflictive group, and the DPP had their political support after taking power. Outside of the structural factors for labor groups, with the rise of the binary system, labor groups were divided between the conflictive and strategic groups. This is a key reason as to why workers' political participation was not as workers.

⁶⁰⁹ Li Yi-qing, "10 dagong tou an kun long fu? Paihuawen jieshi rang ni yici kan dong!", *Business Weekly*, November 22, 2018.

The DPP won the presidential election in 2000, at a time that the Labor Union Act hadn't been fully amended. Chen Shui-bian presided over the founding of the TCTU before he took office as president.

As such, the Taiwan Confederation of Trade Unions took a leading role among Taiwanese trade unions, even before the Labor Union Act was amended. Now, the Chinese Federation of Labor (CFL), which had served as a system of control under the KMT, was not a labor union with political legitimacy.

But a single-peak labor system would not be the final form that Taiwan's labor union system took either. Forming general labor unions came to have limits. Taiwan's labor system moved from having a single-peak labor system to becoming a multi-peak labor system. The national general labor unions were referred to as the Ten Great Labor Unions at the time.⁶¹⁰

Nevertheless, having more unions did not allow workers to politically participate further. The participants of these labor unions were not ordinary workers, but they were grassroots union legal workers. And the labor union system led unions to compete about local unions or grassroots unions joining them, and creating traditional ties of gratitude between them.

It tended to be the lower-level unions that had more direct contact with workers, with the higher labor unions acting as though they were distant relatives. Some labor unions wandered in this system between both political cores. The way that workers assembled was not necessarily through the labor union as an intermediary.

We might analyze the disintegration of worker identity, then, as related to legal categories. Workers might be working in 1. Newly emerging industries 2. Industries not yet legally defined, 3. Industries in which unionization was restricted in the previous laws.

Workers in newly emergent industries might include workers in the electronics industry, housework, military, or be public servants, but because their work was not defined as that of being a worker in the law, they could not receive the protections of the Labor Standards Act. Likewise, neither could they organize legally regulated labor unions, or call for the Labor Standards Act to be applied to them. It was hoped that changes in the Labor Standards Act could fix this situation.

Foreign labor served to supplement labor needs. The KMT, when it was in power, called for using foreign labor to lower costs. But after the DPP came to power for the first time, it called for preserving the worker conditions of domestic workers and had to confront pressure from industry during the first time it came to power.

The institutionalization of foreign work also linked Taiwan with the international labor market. The Taiwanese government signed agreements with other countries to allow their workers to come to Taiwan. But Taiwan's lack of international status meant that the Taiwanese government couldn't sign agreements regarding

⁶¹⁰ Chen Cheng-zheng and Xu Guo-gan. *Gong yun chungqiu: Gonghui fazhi 800 nian*. p. 188.

Taiwanese workers traveling elsewhere to work, leading to the Taiwanese government unilaterally accepting foreign workers entering Taiwan.

Workers still had trust in the DPP due to participating in past protests together, but foreign labor policies was something that workers could not accept, seeing as this led to worsening conditions for Taiwanese workers.

Pressure from China affected foreign policy and Taiwan's international position. However, Southeast Asian countries that export labor to Taiwan, were very active in expressing their willingness to increase unofficial contacts with Taiwan to export more labor, contrasting to wariness of Taiwan during past periods.

Foreign labor policies were used as a way to advance Taiwan's international status, with the need to recognize Taiwan on some level officially or in terms of legal documents for foreign labor to send to Taiwan. These contacts did not pertain only to foreign affairs, but also led to unexpected results. The new government sensed that foreign labor could not only be used for cheap labor, but that it could also be used as a diplomatic tool. Conversely, this led to a decline in labor conditions for Taiwanese workers, with foreign labor becoming their competitors. This also led to exclusionary behavior against migrant workers. There was not a desire to ally with or work together with migrant workers. One example is regarding the migrant worker incident in 2005 on the Kaohsiung MRT.

With industrial shifts and changes in labor power and amendments in the Labor Standards Act, this affected many labor issues. But although it may appear as though labor issues added to the ability of workers to participate in politics, because of the limits imposed by the labor union system, substantively and historically, workers were unable to take political action.

During this historical opportunity, labor organizations, fought to institutionalize but inevitably encountered issues. The division between local unions and national general unions was simply a separation of powers during authoritarian times. A hierarchical relation existed between these unions, preventing the horizontal cooperative organization of labor union members.

From government-run hearings on labor issues to the meetings between organized labor and management of large general unions, this was all highly institutionalized. Competition between labor unions did not revolve around the support of labor unions or fight over the ability to win political power, but was focused on the implementation national healthcare insurance. Unions took on responsibilities for workers' labor insurance. This provided financial support for the union, as Constitution the main source of financial resources for the union. Yet government benefits and union benefits became mutually inclusive; the position of the union was not merely that of a union, but also something of an insurance office.

Originally, union members were divided between social movement participants and labor union cadres. But with the DPP taking political power and entering

government, individuals such as Chen Chu, Huang Qing-xian, Lu Tian-lin and others became officials.

Even if many protests took place during the period of Taiwan's democratic consolidation, the national labor unions did not stand at the front lines. Rather, they served as means for government officials to communicate with workers, using different means to undermine ability of workers to assemble. Through the desire for institutionalization of workers, this created the labor system that exists up until now in Taiwan.

The scholar Huang Te-pei believes that the majority of political parties in Taiwanese government are right-wing, they stand on the side of capitalists and not for the interests of workers.⁶¹¹ Even if social movement actors were closer with the DPP, as a more liberal party, this party did not believe in social democracy and would not examine workers' interests from a class perspective.⁶¹²

The KMT, which was the ruling party again during Taiwan's democratic consolidation, established new relations with other political parties during its time with the opposition. By contrast, the DPP wasn't able to complete the third revision of the labor laws because during the second transition of political power, labor was used as a bargaining chip by the political system.

At the same time, there were disturbances regarding the social welfare system during the DPP's period in office. After the KMT came back to power, this situation stabilized. The ruling party in the midst of the strategic group pursued the institutionalization of unions, workers' groups, and workers. With focus on the economy in public discourse, there was less focus on labor issues.

6.3. Conflictive groups

There were calls to change various laws left over from the authoritarian period during the course of Taiwan's democratization. There was call for rule of law to be set up, rather than simply legal regulation and institutionalization in Taiwan's political and legal system. But this led to conflicting pressure for Taiwanese workers.

The labor system had already been co-opted by the state apparatus, with workers divided among various industrial or corporate employers. Foreign workers were used as competition against Taiwanese workers. The representative system could not lead to specialized workers' representatives. These social shifts led Taiwanese workers to have no space to politically express themselves in terms of political participation. Other social movements took precedence and developed further during this time, voluntarily and involuntarily leading workers to give up their

⁶¹¹ Huang Te-pei, "Xin zhong jian huo xin youpai? Min jin dang zhengfu yu laogong guanxi zhi tantao," (Political economy conference, NCCU, 2002), p. 12.

⁶¹² Huang Te-pei, "Dang meiyou zuoyi de guohui yu shang quanqiu hua yu zhengdang lun ti shi. Xin zhengju xia de lifayuan yu laogong guanxi zhi tantao." (Taiwan's New Politics in the Legislative Yuan: Constitutional Research Results Presentation, NCCU Political Department, 2011), p. 11

identification as workers, and seeking political participation through other forms of political identity.

Yet during Taiwan's democratic consolidation, it wasn't that individuals in the conflictive group did not undergo shifts. With the loss of political power of the party at the center of the conflictive group, workers in the conflictive group shifted social identities and expectations.

The collective activity of workers during this period had the following characteristics: 1. The legal interaction of the strategic and conflictive groups was institutionalized during this time, 2. Workers' movement groups grew in size during this period, replacing traditional labor unions and legally recognized labor union in importance for the labor movement, 3. Labor issues became hidden among other labor issues, without direct confrontation between labor and management on the stage of society.

6.3.1. Normalized interactions between the two Groups

After the democratic transition, Article 2 of the ROC Constitution was changed. The presidential term was defined as four years and allowing for one reelection. The longest a president can serve is eight years and this serves as the period for political transitions of power. In other words, this strategic concern for members of the strategic group then becomes if one can stay in the party of a conflictive group for eight years.

A political party must obtain a substantial amount of votes in order to separate itself from the conflictive group and become the ruling party. For members of the conflictive group, it is not an intelligent choice to wait eight years without seeking resources and striving for political participation in the political sphere.

While it is eight years before transitions of power between the ruling parties in the course of transitions of political power, members of a group may not stay in the same group during those eight years. There will be politicians or their supporters that move between the conflictive and strategic groups, seeking economic interest or political exchanges. This is also true of workers and labor unions, and this is more visible for the compared to other groups.

The most famous example of this took place with the TCTU. The TCTU was more closely aligned with its formation. When the DPP was an opposition party during the dangwai movement, at the time, its members put aside their differences to form an opposition party, hoping to put an end to the one party rule of the KMT. After the formal formation of the party in 1986, different factions put aside their differences to form a mechanism for electing the party chair, to decide party responsibilities and the course of the party's development.

But after the DPP took power for the first time, Hsu Shin-liang,⁶¹³ Shih Ming-teh,⁶¹⁴ and other former party chairs and key figures decided to leave the party. A similar historical situation happened with the TCTU, which had formed to combat the sole legal national labor union during the KMT's one-party rule, the CFL.

Consequently workers and labor movement figures aligned through various social networks. In 1997, when the TCTU was preparing to meet, there were a total of eighteen labor unions.⁶¹⁵ Three labor movement groups participated in these preparations.

And after the confederation was formally established, this put an end to the one union system. Different key opinion leaders established their own organization factions, putting an end to the TCTU serving as center of the labor movement.

Among the three labor movement organizations that participated in the planning for the confederation, the DPP and Taiwan Labor Front, which was closer to the DPP, the Workers' Legislative Action Committee, which had an unclear political leaning, and the Labor Party and Labor Rights Association, which were closer to each other. After the formal organization of the confederation, as Huang Qing-Xian of the Taiwan Labor Front was about to take power as the first chair, the pro-unification Labor Party and Labor Rights Association announced that they would be withdrawing from the confederation. They instead announced that they would be working with the CFL.

⁶¹³ Hsu Hsin-Liang was historically close to the KMT. In 1973, he was on the KMT party list for provincial representative, but he decided to defy the party because of his political ideals. In 1977, he ran for Taoyuan county magistrate against the party's wishes, leading to the Zhongli Incident. After the votes were counted, he was found to have won, but he was kicked out of the party.

In 1979, as county commissioner, he began the Qiaotou protest, demonstrating against the arrest of political prisoners. He was accused of misconduct. He started Formosa Magazine along with Huang Hsin-chieh, Shih Ming-teh, and others. After traveling to America after the incident, he was prevented from reentering Taiwan. In 1986, he tried to reenter Taiwan from the Philippines, leading to the Taoyuan Airport incident. In 1989, he was finally successful in reentering Taiwan through China, leading his arrest on charges of sedition.

He was sentenced to ten years in jail. In 1998, he was granted amnesty and released from jail. In 1991, he served as the first chair of the DPP, pushing for direct democratic elections. In 1996, he served as DPP chair for a second term. In 1997, the DPP won a mayoral election for the first time in its history.

In 1999, Chen Shui-bian abruptly rose to power, leading to Hsu's withdrawal from the party. He ran for president himself. In 2004, he supported the KMT and New Party's joint candidate. In 2008, he supported the DPP candidate. In 2012, he underwent a hunger strike, calling for Ma Ying-jeou to pardon Chen Shui-bian. In 2015, he agreed to observe Chinese military exercises.

⁶¹⁴ Shih Ming-teh's father was arrested during the 228 Incident and he and his two brothers were victims of the White Terror, having been imprisoned after confessions were extracted by torture. After being released in 1977, he entered the dangwai movement, and helped form Formosa Magazine in 1979. He was arrested again in the course of the Kaohsiung Incident, during which he underwent various hunger strikes as a sign of protest and sought to aid other prisoners.

In 1990, he was pardoned and released from jail. In 1992, he was elected as a legislator in Tainan. In 1994, he became DPP chair. In 1995, he was supported by the DPP and New Party, and ran for legislator in Taoyuan. He withdrew from the DPP after Chen Shui-bian's victory in 2000 and began to call for Chen's removal from office in 2006.

⁶¹⁵ The 18 union members include the : Kaohsiung City Confederation of Unions, Kaohsiung County Federation of Industries, Tainan Confederation of Trade Unions, Hsinchu County Federation of Industries, Miaoli County Federation of Industries, Taipei Confederation of Trade Unions, Taipei County Federation of Industries, Yilan County Federation of Industry Trade Unions, the Taiwan Petroleum Workers' Union, the Telecom Workers' Unions, the Tatung Trade Union, Taipower Labor Union, the Tobacco and Alcohol Labor Union, the Taiwan Railway Labor Union, the Taiwan Motor Transport Trade Unions, Taichung Confederation of Trade Unions, the First Commercial Bank Union and Taiwan Banking Association.

Afterward, the chair of the TCTU tended to come from the DPP or be close to the DPP. Examples include Huang Hsin-chieh, Lu Tien-lin, Zhong Kong-shao, Huang Xiao-ling, and Kuo Kuo-wen. Previously, politicians took up posts as labor cadres in posts provided by the political system to pass the time, as a means of political advancement.⁶¹⁶ But in the process of Taiwan's democratic consolidation, for the political structure, the importance of labor unions did not change. Apart from passing time as labor cadres, politicians took up posts as union cadres in order to strengthen ties with local factions and to increase support. Such exchanges between labor cadres and the political system happened more than before after Taiwan's democratic consolidation.

After the DPP took power, President Chen Shui-bian hoped to carry out his political promise to reduce working hours, promoting the "Every 44 Working Hours Policy." Both the TCTU and the Chinese Federation of Labor supported this policy.

But when the KMT, which was then the opposition, asserted the "Double 84 Working Hours" policy, the KMT had the majority in the legislature. Both unions began to support the "Double 84 Working Hours Policy. The DPP believed that this policy had simply been proposed in order to attack them, that this was a policy that it would have no way of implementing or realizing.

Other unions did not trust the TCTU. Given the close relations between the Taiwan Labor Front and the DPP, they believed that Huang Hsin-chieh must also be serving as a labor policy advisor for the DPP. This led to the formation of the "Forty Working Hour Alliance."

With the KMT holding a majority in the legislature, the "84 Working Hours" policy was passed. Labor groups had worked with the Taiwan Confederation of Labor Unions in the past, but with the DPP taking power and becoming part of the strategic group, this did not occur again.

Qiu Yu-bin has expressed disappointment with the TCTU, believing that the splits in the union led to the failure of ten years of independent labor union organizing. According to The consideration "did not benefit from the political opportunity structure brought about by the DPP's governance. Some opportunities (such as the ability to intervene in government decision-making) were wasted due to the realism of the trade unions on the field and the political intervention of the DPP in the election."⁶¹⁷

But to look at it from another perspective, for a labor union that relied on support from a political party to develop, this would inevitably result in a loss of subjectivity. The Chinese Confederation of Labor would be one example. Such

⁶¹⁶ See 5.2.3

⁶¹⁷ Chiu, Yu-pin. 2016, March. 'Zhengdang lun ti yu laogong yundong. Min jin dang zhizheng shiqi xia de zizhu gong yun'. Presented at the Southern Taiwan Development Crisis, Transition and Renewal. Symposium conducted at the Social Development Conference by National Pingtung University, Pingtung. (邱毓斌(2016年3月)。政黨輪替與勞工運動：民進黨執政時期下的自主工運。變遷與整合：南台灣的發展危機、轉型與重生。社會發展學系會議·國立屏東大學), p. 63.

unions lack autonomy and can only serve as a tool for political parties to gather votes and union cadre positions are used by politicians for their own ends. As such, it is not surprising that the political structure would seek to limit the development of labor unions through institutionalization and regulation. Such unions are not easily supported by workers either.

Wang Qin-xin comes to this point of view in earlier research. "Labor union activists hated the corruption of the KMT, and appeared forgiving of the DPP." But at the same time, "The DPP is not a party of the working class and it orients toward the interests of capitalists. But between the two, workers would still pick the DPP."⁶¹⁸

Consequently, it is not that the TCTU lost the support of workers, but that the union did not concretely take on political tasks different than the DPP. The DPP's historical task was to break the one party system controlled by the KMT. But the TCTU had as its task, not only to break apart the labor union system dominated by the Chinese Confederation of Labor, but the system by which political parties controlled labor unions. With the system of many stratified labor unions, if a political party can control labor unions through patronage, this will allow it to reap the support of workers.

Liberalization and free competition led to shifts in political role. After the first political transition of power, the DPP, KMT as political parties and civil groups did not change. Outside of labor unions and organizations serving as a bargaining chip for political exchanges, liberalization, also led to many political reversals. For the KMT and the DPP, they faced exchanging roles as the conflictive and strategic groups for the first time. For labor unions and labor groups, some had to learn how to move from the streets to inside of an assembly chamber, while others had to learn how to move from an assembly chamber to the streets.

With the shift from the unilateral single-peak labor system to the multi-peak labor system, the DPP faced the weight of its campaign promises after taking office. The opposition faced the challenge of becoming a ruling party and vice-versa. There were many changes in labor laws. With the rise of many labor unions, this created space for political manipulation. There was no one labor union that could claim to represent all workers, and labor unions clashed with each other because of fighting for resources, rather than focus on labor issues.

With the implementation of the national healthcare system, local labor unions and factory labor unions became like offices for the insurance system. Labor unions relied on this as a source of funds. This was how the national insurance system served as a means of institutionalizing labor unions.

With the democratization of Taiwan's political system, where the structure of the labor union system was concerned, institutionalization occurred as a response to workers' demands, changing from the lack of external factors that existed during the Japanese colonial period or the hierarchical, unified system that existed during

⁶¹⁸ Wang Qin-xin, "Jieji jingyan yu jieji yishi--yi taiwan di yi dai zizhu gongzui jiji xingdong zhe wei li," National Tsing Hua University, Institute of Anthropology, 1995.

the authoritarian period. This led to stronger reliance in the labor union system, with the ruling party able to use various means of influencing political groups, shrinking the autonomy of labor groups.

After the second transition of political power, the KMT, DPP, the CFL, and the TCTU had shifting relations. Strategic and conflictive groups interacted with each other and became linked through the actions of the nation as a whole, political parties, and labor unions. While unions might have historical reasons for orienting toward certain political parties, this was not completely relying on any political party either. Interactions between the KMT and the CFL and the CTU and they were not as clear-cut as in the past, and a new set of relations between the nation —political parties —labor unions manifested.

6.3.2. Labor groups and return to the original site of struggle

Following the political transitions of power between the DPP and KMT and the institutionalization of the labor union system, labor unions attained a certain position. Local unions and factory unions created an insurance system.

But during this period, only small factory unions had the surplus active to engage in small protests with capitalists. Local labor unions took on responsibilities for labor unions. Workers came from different industries, different companies, and they might not have consensus on various social issues. As a result, local labor unions did not necessarily have the capacity to mobilize workers. Instead, they endlessly sought to win the support of political parties.⁶¹⁹

This led many grassroots labor unions to lack means of cooperation. The position of mid-level labor unions was unclear, leading to linked administrative areas. The hierarchical structure of the labor union system limited mobilization capacity. For opinion leaders to emerge, this required overcoming the labor union system, and so labor-focused organizations took on more social movement activity.

Moreover, during the many changes in the electoral system that occurred during the democratic consolidation, this led the number of legislators representing an administrative district to be reduced. When political parties put forward their candidates they had to be attentive to the possibility of their candidates winning.⁶²⁰ This led to the aforementioned phenomenon.

Local labor issues became complex among the voters of a certain district. Politicians could not serve as their spokesperson. Discussion of national labor policy was limited to candidates for proportional voting, but the list of candidates was controlled by the party apparatus. Unions became reliant on parties; even if they proposed candidates, they might not appear on the list and they were primarily unable to influence party lists.

And voters might not demonstrate their political support through their political identities as workers. Political parties had means of mobilizing locally, but the support of workers did not primarily become the factor by which parties decided

⁶¹⁹ "Lai wei hui buzhu gonghui kuan, quan zong piping bang chun mingxia," United Daily News, April 8, 2002.

⁶²⁰ See 6.1.1

their party list. Through the current representative system, the voices of workers could not be heard, and this became the space for labor groups to operate.

Facing strong economic pressures, workers could not hold large-scale protests. The example of the shift from the “One Set Day Off, One Flexible Day Off 1.0” policy⁶²¹ and the “One Set Day Off, One Flexible Day Off 2.0”⁶²² policy, during which the DPP was the ruling party, was that the DPP claimed that some workers did not approve of the original policy. Labor union and labor movement groups were unable to contest this.

On the other hand, various workplace disputes became the core of the labor movement. Examples include the China Airlines labor dispute in 2005, with further disputes in 2011 and 2014, the 2015 strike by the union and mechanics, the 2016 flight attendant’s strike, the punishment of union cadres in 2017, the pilot’s strike in 2018, and the EVA flight attendant’s strike in 2019.

We might briefly outline the aforementioned strikes:

1. On November 4th, 2005, during consultations regarding the 84 working hour plan, 1000 China Airlines employees that had the day off surrounded the China Airlines headquarters in protest. They called for set limits to their working hours, collective bargaining, and the company to stop investing in the Taiwan Railways Administration.
2. In 2011 many disputes took place because a subsidiary company, Dynasty Airlines, kept making workers take on work outside the specification of their contract. The Dynasty Airlines Union sought to win year-end bonuses, yet there was the dismissal of four union board members from the union of the subsidiary company, the Taiwan Airport Service Company.
3. In 2014, the “Red Eye Flight Incident” occurred. Late-night “red eye flights” became very popular because they allowed for early arrivals. In order to meet the market demand, the company expanded the number of red eye flights. But this was very physically demanding for flight attendants and pilots, negatively affecting flight safety and health.
4. The 2015 strike occurred because China Airlines sought to cut salaries, which were historically high. Workers were not paid their promised year-end bonuses. The union of the subsidiary company, Dynasty Airlines, protested their low salaries, which were only around 18,600 NT. They requested management stop outsourcing and requested exemptions for meals for outside workers.

⁶²¹ In 2016, after Tsai Ing-wen was elected, the DPP sought to carry out its campaign promise to reduce working hours, among its “Six Great Labor Promises.” The plan called for allowing workers to have two set days off per week and work forty hours per week, like public servants. But when the plan was put forward, this changed from two days off per week to one set day off and one “flexible rest day.” This was to reduce the affect on industries. Seven public holidays were also cut.

⁶²² In 2017, then newly appointed premier William Lai unveiled the “One Set Day Off, One Flexible Rest Day” plan. The flexible rest day was justified on the basis of that some work required flexible working hours and that workers from those jobs were angry with the original “One Set Day Off, One Flexible Rest Day 1.0” plan. This was contrary to the original plan, which had aimed to allow for two days off per week, and could lead the possibility of workers being forced to work 12 days consecutively.

5. In 2015, pilots struck. Pilots were primarily represented by the Taoyuan Pilot's Union, but the company claimed that this was an external union and refused to negotiate. This is what led to the strike.
6. In 2016, China Airlines workers' struck. The reason for this was that the company wished to have flight attendants sign contracts to avoid paying overtime, and to change the location where they reported to work in order to reduce their paid working hours, and sought to reduce vacations for pilots. This led flight attendants, pilots, and mechanics to strike.
7. In 2017, labor union cadres were fired by China Airlines. This was retaliation for these cadres being involved in the previous union's strike. The Ministry of Labor ruled this to be legal and issued fines.
8. In 2018, pilots struck again. This was because the issue of reductions in their vacation time had not been addressed. This was one of numerous labor disputes that year.
9. In 2019, EVA flight attendants struck. EVA flight attendants were influenced by the labor actions of China Airlines flight attendants. They requested their management provide travel allowances, wished to address the issues of red eye flights, overtime pay, and union representation. This led to the cancellation of 1,429 flights, affecting 278,420 people and losses of 2.78 billion NT.

Because China Airlines is majority owned by the government, workers would demand a response from the government. But in demanding the government to intervene, this was appealing to their bosses in some sense. This was not advantageous for union autonomy.

Workers were not able to resolve their issues through political representation, resulting in labor issues being focused on the workplace. Labor disputes could be resolved this way during Taiwan's democratic consolidation, then. Although labor-capital disputes should be two-way, after democratization, the relation between labor and capital is one way, until the government decides to open this up for the sake of elections.

Though in this environment, unions should be independent, they were forced to return to limited labor-capital relations. This may be one reason why labor activity was high during this time. However, it is hard to know whether Taiwan's labor unions can survive this.

6.3.3. Labor issues as concealed in other social issues

With the collapse of the unitary labor union after the DPP came to power, the CFL confronted quickly changing political circumstances. It also confronted circumstances in which workers' representation became weaker.

The KMT and the CFL did not have previous experience of street protests. But with the formation of other labor unions, it sought to align with other groups. Many social movement activists ended up aligning with the KMT or New Party after the DPP took power.

During this period, many unions and civil society organizations formed vertical and horizontal alliances. Issues were not merely focused upon labor issues, but with focus on various workplace struggles, protests regarding work hours, ability to enter a labor union, and etc. The KMT cast a long shadow over this.

With the change in who participated in social movements, this also changed the composition of Taiwan's social movements. It is not simply that workers simply occupy 38.7% of Taiwan's population, and or the 1.9% of capitalists in Taiwan, but that such issues touch on the population as a whole.

In other words, this is related to national development, as it affects the nation as a whole and the people as a whole. When looked at this way, labor-industrial relations do not merely pertain to relations between workers and capitalists, or even just the workplace. Any political decision constitutes the space for workers political participation, just workers may not be able to politically participate in their identity as workers.

That workers were not able or choose not to participate in social movements using their identities as workers is another phenomenon of Taiwan's democratization. Labor issues may not easily manifest, but issues concerning workers touch upon all social issues. We might take as examples the 2010 Dapu incident, the 2012 Tainan Urban District Railway Underground Project protest, the 2014 Sunflower Movement, and the 2018 movement against air pollution.

1. The 2020 Dapu incident involved protests against the government appropriating the land owned by private citizens. The Dapu county government sought to appropriate land without the agreement of its residents, and began to conduct demolitions.

With images of construction cranes tearing up fields, hurting the livelihood of farmers, this led to fears among the salaried class about their own property, and that workers who had fought hard to own property would have this taken away from them by the government suddenly. This kind of class sympathy toward the farmers led to protests.

2. The 2012 Tainan Urban District Railway Underground Project protest was similar to the Dapu incident, since it involved the government appropriating land from residents to build railroad tracks.
3. The 2014 Sunflower Movement was a rare large-scale protest movement, which sought to prevent the KMT from passing the Cross-Strait Services in Trade Agreement. It was believed that this agreement would hurt small to medium-sized industries in Taiwan and force Taiwan's economy to rely on China, leading to a loss of political autonomy.

The key reason for the outbreak of the Sunflower Movement was similar to that of other social movements. A characteristic of the movement was the youth of many of the participants, with many that were still students, and they were concerned for the effect on Taiwan's future. However, behind more general

concerns about Taiwan's future were concerns about the economic job market and the belief that globalization and free trade would affect Taiwan's economy.

4. Protests against air pollution in 2018. Originally air pollution was just an environmental issue. The government proposed policies to exchange old cars, so this led to questions why the government was more focused on getting rid of older car models than regulating private industry and their pollutant emission? Cars were the tools that many workers relied on to survive but in trying to force workers to try and buy new cars without policy support, this led to concerns by workers that costs would be displaced onto them.

In this way, complicated individual identity can be touched on in social movements without assertion of identity directly as workers. A worker will participate in a social movement protest using the social identity of theirs most directly relevant to the issue at hand.

In particular, social movements face the need to prevent from just being seen as having gone overboard, or protesting about irrelevant issues, since this will not attract the support of the public. This is another phenomenon of Taiwan's democratization. For labor protests to influence society, this is required in order to allow them to advance to the level of the political system, otherwise labor movements will only receive standard official answers from the government.

From the standpoint of the institutionalization of society, Taiwanese society in terms of political participation in Taiwan, outside of the amendment of worker protections in labor protections, Taiwan is politically, socially, and culturally isolated. Taiwan has lacked external shocks and in the course of democratization, there was no way for there to be mutually embedded relations between workers' identity and the political system. Workers lost their identities and opportunities for political participation in confronting the political and legal system. In lacking paths for the movement, labor issues could only be concealed in other issues.

After having experienced the DPP taking political power for the first time, it realized the benefits of using foreign labor policy and sought to use this as a tool of foreign policy. This did not change when the DPP took power for a second time. The ruling party would continue to use foreign labor, as a reward for industry, and to diminish cries of social mobility.

There was push and pull between Taiwanese and foreign labor in the labor market, making it easy for there to be discrimination against foreign workers. This led to divisions among workers in the political system. Workers confronted a crisis, having no time to take care of themselves, or to assist each other or gather. This division allowed the political and economic system to control the labor market more easily and effectively.

Although foreign workers are unable to set up labor unions in Taiwan, there has gradually come to be concern for them, with regard to the inequalities they face in

Taiwanese society. There has also been recognition of the cultural diversity they bring to Taiwan, because this can alleviate Taiwan's isolation.⁶²³

For example, with plans by the government to limit where migrant workers often sit in the Taipei Main Station during the COVID-19 pandemic, this led to criticisms of the government for restricting places that migrant workers gather in the name of social distancing. But this concern for migrant workers is still not reflected in the labor market. The exclusion of migrant workers continues and migrant workers are exploited, even sexually assaulted, by their employers, or forced to violate cultural customs such as not eating meat.⁶²⁴

Because of the increasingly elderly Taiwanese, because of there being a need for blue collar workers to take care of the elderly, this has led regular citizens to hire foreign workers to take care of them. As a result, there have been calls for foreign workers to be included under the Labor Standards Act, in order to regulate their salaries and working conditions. However, broker agencies that arrange migrant workers' employment in Taiwan oppose this and families that employ migrant workers also oppose this. Unfortunately, migrant workers policy cannot become a point of focus for conflictive groups and Taiwan is criticized by international society because of its treatment of migrant workers.

⁶²³ Foreign workers are regarded by the government and by capitalists as both labor power and a form of commodity, rather than as a human being, and they regard the ability of migrant workers to satisfy labor demands along these lines. What may be most tragic is that some migrant workers fear being fired and sent back to their home countries if it is found that they are present. Their children have no nationality when they are born in Taiwan and may be abandoned. There are 200 such children in the Taipei Harmony Home alone and the total number of these babies who have been left out of the social safety net and abandoned is unknown.

⁶²⁴ The most example of this may be Feng Huxiang, a former representative of the National Assembly, legislator, and vice presidential candidate, who sexually assaulted a Filipina caregiver in 2014. According to the Ministry of Health and Welfare, there were over 1,048 cases of reported sexual assault by the end of June 2018.

7. Conclusion

Kant put forward the concept of "unsocial sociability" (ungesellige Geselligkeit), which aptly describes how different groups in human society, with different tendencies of development, can ultimately promote the overall cohesion of human society and the expansion of its original boundaries, even as they engage with each other in a process of opposition or resistance.

The behaviors driven by human instincts and desires may seem irrational or extremely self-interested on the surface, but in their social nature they will still allow society to continue to survive—that is, that is, they manifest social embeddedness, and so at the same time develop a functionable set of social negotiation or disposition mechanisms. This prevents society from embarking on a path of self-extinction, such that individuals can survive.

For example, the starting point for the formulation of the British Magna Carta came from the defense of personal interests, thereby protecting the overall interests of society, but also allowing the British Empire to continue to this day. It may be noted as well that Taiwan's stockholders took to the streets before the lifting of the martial law. It is obvious that economic self-interested behavior will not be suppressed by social circumstances, and it often happens before political opening.

The result of both self-interest and unplanned cooperation is that personal behavior is embedded in the political system, and institutionalized through the revision of the legal system, so that the outcome in economic benefits can serve as social support even though society faces internal and external divergent factors; and so society can continue to operate sustainably.

In this realm of thinking, it is actually very reasonable to use economic and social factors as the focus of the analysis of group categorization, and it should be more objective than categorizing according to political factors.

In this thesis, the theory of strategic and conflictive groups is utilized to divide all members of society into groups based on this framework to analyze social interactions and the progression of history. This theory poses first a dichotomy: that the "strategic group" is a consolidation of power that is actually in control; and the "conflictive group" is an alliance in contradiction with the "strategic group" that seeks a greater piece of the pie. Parts of these groups may re-align over time, however.

The phenomenon of "grouping" also implies that individual members of society will, because of different social factors, reach the result of "groups formed by alliance". On the one hand, it is possible to find out the social nature of "divisions due to differences" formed by members; on the other hand, it is also possible to find out the social nature of members coalescing in "groups formed by alliance". The social nature of "divisions due to differences" and "groups formed by alliance" is the basic condition for groups to be embedded in society in different positions.

The research object of this study is Taiwanese workers. It is found that Taiwanese workers have a particular social embeddedness, located between strategic groups and conflictive groups, in a pattern influenced by the island's closed nature.

In sum, this research starts from the perspective of the social identity of workers in Taiwan's economic and social relations, and analyzes the workers' political participation in the development of Taiwan's democratization, and how it has been affected by strategic groups and conflictive groups during different historical stages. Consequent on this, the questions are what kind of influence, and what kind of social embedding behavior, are manifested by the workers; and then, in the next historical stage, how will workers change or transform the earlier behavior of political participation.

7.1. Research finding

7.1.1. The characteristics of Taiwanese unions

The union system is often seen as representative of political participation for workers in the political system. But if we examine the union system for workers in Taiwan and analyze the political participatory behavior of Taiwanese workers, yet ignore the particular characteristics of Taiwanese history and cultural and geographic factors, this proves problematic.

Historical and geographic perspectives regarding Taiwan are frequently elided in research discussion on the development of unions in Taiwan. This substantively includes 1. The government of Taiwan during the Japanese colonial period and that of the ROC after it came to Taiwan; 2. Taiwan geographically and territorially.

If one does not make clear distinctions regarding this, it is very easy for research on Taiwan to be misleading. The ROC Constitution has stipulated representative seats for workers in the Constitution, as a direct means of political participation. However, the ROC Constitution includes the whole of China, in the course of which there was no means to hold elections for territory controlled by the CCP.

Likewise, the KMT was purified as a political party in some sense after arriving in Taiwan. In pursuing economic growth, it pursued national infrastructure development, allowing workers to politically participate as a means of advancing their political position and improving their lives. But regardless of whether this was used as a tool for political legitimacy by the government/ruling party, many cultural elements regarding Han thinking can be found in the thinking of Taiwanese workers in the Chinese sources. Historically speaking, the ROC did not administer Taiwan at that point in time, but the workers' movement in Taiwan has substantively been a movement of Han-culture laborers by far the majority. Yet this did not substantially allow for the lives of workers to be improved.

The ruling political power had entered a new territory and faced many pressures. In changing its system of rule, it often sought the quickest means of stabilizing the system. The Japanese-language education and kominka movement had succeeded in importing Japanese ideology and its economic model into Taiwanese society, in terms of language, rule of law, politics, and education. This historical background

created a disparity with the Chinese society and ideology that the KMT sought to bring to Taiwan.

But what is further important is that Taiwan is an island. Ruling regimes often have imported their culture into Taiwan from abroad. Taiwan was administered under Japanese colonialism for fifty years. After fifty years of Japanese colonization, Taiwan naturally became an isolated social system. At the same time, building on the enclosed nature of the island, after the KMT came to Taiwan, they forced the change of language from Japanese to Mandarin Chinese and the abolition of the previous political and legal system that existed. Martial law was enacted supposedly for the sake of fighting the CCP.

With fifty years of Japanese rule followed by fifty years of the authoritarian rule of the KMT, this meant two large political transitions in the span of one hundred years. In terms of the economy, society, politics, language, institutions, population, education, culture, and thought, this led to history repeating itself. With prohibitions on individuals entering Taiwan, and the passage of martial law, the overcome was that exchanges between Taiwan and the international world were blocked for close to one hundred years.

In the course of this second reorganization of Taiwanese society, the KMT sought to use Taiwanese society as a springboard for attacking China. This led to the temporary suspension of infrastructure construction, in addition to Taiwan's isolation.

Even if the KMT eventually accepted that it was in Taiwan to stay and that it would not return to China, the result was still parasitic colonialism by the KMT in terms of its role in Taiwanese society. Because of ethnic disparities that have existed in Taiwanese institutions for over fifty years, it took some time after democratization for there to be attention given to the need to mend ethnic tensions. It would be impossible to mend such tensions overnight.

The influence of these mutually embedded social factors, also influenced labor-management relations in terms of labor participation and the labor movement. There was not the opportunity to exchange with other places.

Through the institutionalization of Taiwanese labor unions in the social system, on the one hand, unions came to act as though they were offices for Taiwan's labor insurance system. On the other hand, this was a large contributing factor in the fragmentation of Taiwan's labor market, e.g. between the public and private sectors, and between Taiwanese workers and foreign workers. This weakened the possibilities for workers to organize.

7.1.2. Taiwan's isolation as a cultural particularity

Taiwan's economic development was different than that of the Chinese mainland starting from the time of the Qing Dynasty. Han residents of Taiwan primarily lived in the western plains of Taiwan. A bureaucratic system was set up there and economic extraction began to take place, with exports only being traditional agricultural products. Modern industrial relations did not develop yet.

After Taiwan entered the Japanese colonial period, Japan's colonial policy directed toward Taiwan continued the Qing Dynasty's economic extraction. But contrastingly, scientific principles were used to carry out surveys of the land, there was the attempt to culturally integrate Taiwan, and industrial development began to take place.

Taiwan transitioned from being an agricultural society during this time, as policies of Japanese migration also were enacted, laying the basis for industrial relations. Schools were set up and the anti-foot-binding movement to liberate women was initiated, raising women's educational level and their means of participating in labor.

Models of business exchanges and industrial relations were imported from Japan, with the establishment of a modern nation-state and relations between society and the state apparatus. This led workers to align with each other and organize.

Japan successfully brought Taiwan out of an agricultural society and developed a modern industrial society. However, given Japanese colonization, this was unilateral export of agricultural goods, and Japan had to serve as an intermediary for culture, political, or economic trends to be imported into Taiwan. Although Taiwan entered modernity during the Japanese colonial period, this took place under Japanese auspices, and this did not lead to the development of ties with international society. This was the first enclosed social system in Taiwan.

After the KMT came to Taiwan after its defeat in the Chinese Civil War, it sought to contest the CCP for legitimacy. This result was the same as various military cliques in the course of Chinese history, with the loser fleeing elsewhere after its defeat. The KMT decided to move to Taiwan precisely because of Taiwan's isolation, given that the CCP did not have the ability to stage a naval invasion.

In the process of the KMT migrating to Taiwan, the kinds of people that were allowed to enter Taiwan were filtered, with different forces contesting in order to have the right to enter Taiwan to escape the communists. There were those who freely entered Taiwan and those that were forced to, but the priority was, of course, placed on supporters of the KMT. The Republican government was "purified" to become a party-state of the KMT. Those born in Taiwan were shut out of this system with the insinuation that they were tainted by the culture of the enemy, Japan, leading the political system in Taiwan to be controlled by *waishengren*.

In order to prevent infiltration by the CCP, the KMT implemented changes in Taiwanese society. First, the KMT sought to change Taiwanese society from its base of fifty years of Japanese colonialism. Japanese were driven out of Taiwan, the education system was changed, and efforts were made to teach North Chinese Han culture. Academic freedoms were limited, but the national exam and the exam for public servants drew on the social structure established during the Japanese colonial period. This was similar to the Japanese colonial period, with the control of culture by the ruling regimes, and the cultural field of the island being closed off except to the imperial power.

An economic model dedicated to the national interest was used, with nationalism serving as a means of persuading people to adhere to this. But with the expansion of the national interest, the political system was based around the party, leading to the country monopolizing economic resources. The country was, in fact, the party.

As such, the KMT, 1. Obtained economic expenses necessary for the party, 2. Strengthened its social control, 3. Installed its preferred ethnic group in positions of power, developing nationalized industry and party-run industry, as a means of large-scale economic allocation. This particularly took place in industries that had been developed by the Japanese.

The rapid expulsion of the Japanese concealed that the KMT sought to have a legitimate means of appropriating Japanese property. Moreover, the KMT could assume the political power previously held by the Japanese, installing the people that it brought with it to Taiwan in positions of power to reduce internal tensions, as well as avoid economic pressures that could lead to splits among *waishengren* on creating a political crisis. As such, confiscating Japanese property was not simply for the sake of carrying out a form of political retribution, but this created a series of social and economic changes.

Consequently, using property confiscated from the Japanese, the KMT expanded nationalized and party-run industries. The basis of industry in Taiwan remained under national monopoly control, with the government seeking to control private capital, through limitations on investment or starting up new businesses. This led to strict controls, legally and politically.

Given the development of this historical structure, members of the military, public servants, and educators, as well as workers in public sector and party-run employees, expanded in number. They were among the middle class of society.

As a result, they had a relatively high and secure position and were not prone to falling to lower economic strata of society. They became opinion leaders that could challenge any conflictive group. On the other hand, work positions could be used as a means of carrying out brainwashing, in dangling the opportunity for social advancement.

However, those who could not win opportunities for economic and social advancement would fall into financial crisis, and this was in workers' ideology ascribed to not working hard enough or not fulfilling social obligations. For the ruling party, those advanced were individuals that could be safely controlled, and this was not difficult to accomplish. Using work positions could be a means of maintaining political control and loyalty.

Taking a national exam was the only way to enter the public sector. One had to answer correctly on the exam and have a "clean background" politically in order to enter the public sector and obtain its attendant benefits in terms of salary, days off, and social welfare. Through this social filter, this led members of the military, public servants, educators, and workers in party-run and publicly-owned

enterprises, to not only have different responsibilities than other workers, but differences in terms of social class and economic class. This was also similar to the conditions that existed during the Japanese colonial period, with the colonial power using various mechanisms in order to divide workers between the private and public sectors, creating an enclosed political system.

Workers after democratization inherited the split between the public and private industries. This affects the political organization of workers and serves, as a means by which they are strongly influenced by the ruling party. Workers were strongly urged to enter labor unions, but because of the different models of development between workers, this undertook different courses of development.

Because of differences in the scope of unions, in union members, and in union responsibilities between private and public unions, and because workers confronted different employers, this made it difficult to create a base for alliance among workers. Instead, both sides have dealings with each other only under the political structure management of the party.

In the course of the globalization of Taiwan's economic development, the government considered that importing foreign labor could have various political and economic benefits. For example, in controlling foreign labor policy, the import of labor could serve as a political tool, also fulfilling the need for links of domination between the capitalist class and migrant workers.

The competition of foreign workers could also serve as a means of controlling Taiwanese workers, as something that Taiwanese workers could not craft tactics to protest. According to the interviews conducted for this dissertation, foreign labor was seen as competition by Taiwanese workers, and as a contributing factor to the decline of working conditions for Taiwanese workers, given an inability for ties of solidarity to develop between Taiwanese workers and migrant workers. There was an inability for there to be exchanges, as foreign workers were isolated in Taiwan, and each side was isolated from each other through the social system and institutionalization of the labor market.

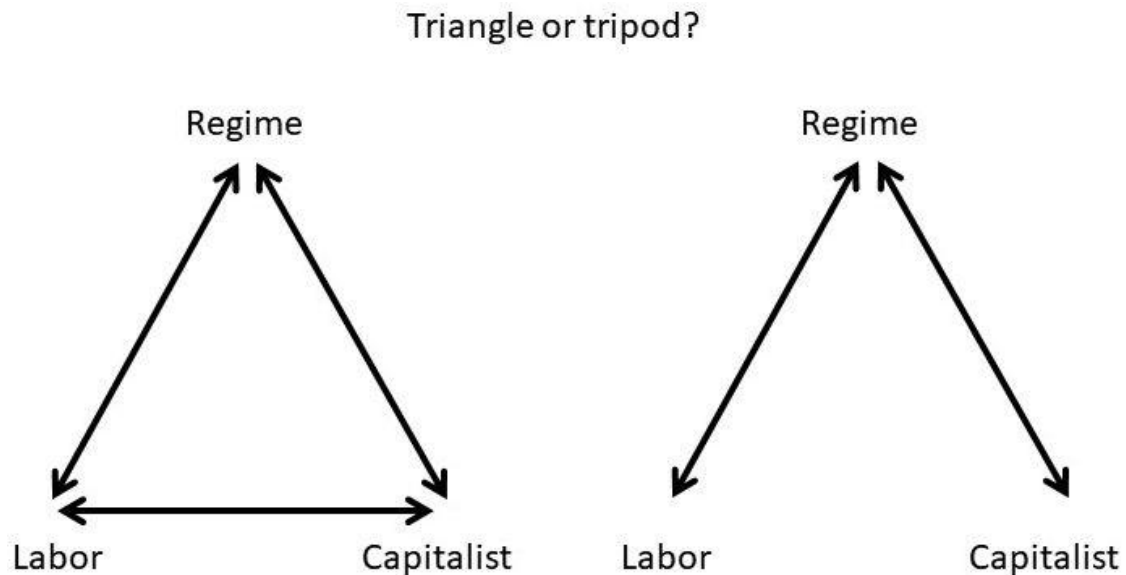
At the same time, in Taiwan's labor market among foreign labor, through education or the importance of labor, divides existed between white collar workers from Western countries and blue-collar workers from Southeast Asian countries, including domestic caregivers. These two groups have different working conditions, and do not have the opportunity to know each other's circumstances. There are no preconditions for the two groups to understand each other or to take collective action. In this sense, foreign labor in Taiwan also reflects Taiwan's isolation. Whether from different countries or from different industries, or with different employers, this easily allows for splits between workers.

7.1.3. The truth of Taiwanese labor relations between capital and workers

In examining the aims of political participation by Taiwanese workers, what do we discover regarding the institutionalization of political participation? Traditionally workers, capitalists, and the political regime are seen as having a triangular

relationship. But through analysis using strategic and conflictive groups, we can understand the context of culture and history. In terms of social resources, political elites, and political shifts, we can understand the social relations formed in Taiwanese social relations. This is not a triangle shape, per se, but more resembles a tripod.

Figure 7.1. : The social relations of regime, labor and capitalist in Taiwan



Source: by the author

Taiwanese society faces deeply rooted issues regarding nationality. This led to links between workers and work-related organizations in terms of requiring aligning behavior. This has had a strong influence.

During the Japanese colonial period, workers were focused on adopting to a new language, cultural, and educational habits. Consequently, economic relations could only take the form of unilaterally accepting the demands of political elites. After the KMT took control of Taiwan, it also sought to politically mobilize workers and made economic demands of them, hoping to quickly return to China.

Both political regimes had political and economic aims, whether in terms of social control of Taiwanese society, or that the aim of the education system was regulation and institutionalization. Workers barely had enough to survive under such political and economic pressure, having no ability to consider these social relations, and leading them to be workers serving as the lowest social class by default. Workers only pursued individual wealth, hoping to achieve advancement in society.

Consequently, with the two recent historical transitions of power in Taiwan, given Taiwan's isolation, labor-capital relations and their model of negotiating always required reestablishing relationships. This led the union system to be linked with communication between capital and workers; the labor movement experience could not be extended.

With racial divides in the labor market, between Japanese and Taiwanese, and been *waishengren* and *benshengren*, divisions were maintained in the labor market through the political system, the educational system, and the national exam. Workers were divided between different and unequal groups. Despite democratization, belief in this unequal system persists among workers, with divides between domestic and foreign workers.

Taiwan's geographic island isolation deepened misunderstandings between Taiwanese labor groups and external organizations. The KMT and CCP's contention resulted in diplomatic setbacks, resulting in difficulties in conducting exchanges between Taiwanese labor organizations and foreign labor organizations. They feared socialism and communism, and there were bans on books about these subjects.

Taiwanese workers lacked models they could learn from, and lacked an ideology centered on workers. They could only blindly follow the political considerations of elites, searching for opportunities to politically participate in social transformation. With standardized demands and institutionalization in the course of Taiwan's democratic transition, it was not only that relations between capitalist groups and political groups stabilized, but workers and political groups formed strong and stable ties.

It took one hundred years for labor law to be amended in the ROC Constitution, an important achievement that political groups held up. However, in closely analyzing the process of these changes and the legal results, even if this did provide protections for workers' rights and workers were permitted to protest, these were made transparent to employers through procedural requirements and administrative laws.

Such regulation did not take place in regards to capitalists and employers. Ideally, the political system should establish a friendly link between workers and capital. "Politics" here, then, would come not to refer to constituent elements of the social system, but would establish a social network and embedded relations among the working class, political groups, and the capitalist class.

But the results were that workers lacked channels for direct communication. Political groups in this social network formed the only channel for communication between workers and capitalists. Politicians, political parties, and the government became the means for dialogue to take place between workers and capitalists. Only thus did this allow for worker's rights to be protected.

At the same time, capitalist groups were pleased with not having to directly confront worker's demands in the form of protests. In the legal system, there was a lack of punishments and enforcement of labor rights, creating a deliberate gap, which was far from matching workers' demands regarding their working conditions; this and lowered costs.

Political groups were happy to play this role of intermediating between workers and capital and playing a role regarding resource distribution. As such, political

groups could assert their necessity all the more during elections, in order to obtain the political support of both sides. This kind of tripod relation was an especial particularity of labor relations in Taiwan. As a result, even if protests result from conflicts between workers and capitalists over various demands, what is usually protested is in the front of government, and the model of workers directly confronting capitalists has disappeared entirely.

7.1.4. The limits of alliance between workers' groups and political groups

With changes in Taiwan's electoral system, guaranteed seats for workers' groups in the electoral system were removed. With the redrawing of electoral districts during Taiwan's democratic consolidation, the number of legislators was cut in half, a multi-layered labor union system was instituted, and labor unions came to serve as a system for providing labor insurance. Up until today, these changes in the social system have led to the political result of workers losing the right to directly participate in politics they once had. Rather they need to participate in the electoral representative system in order to obtain responses from the bureaucratic system, and for their political opinions to be passed up the hierarchy.

The bargaining chips that workers' groups can provide in political alliances may be compared to the social resources that capitalist groups can provide. What workers can provide political groups in terms of social resources are votes. Outside of votes, what capitalists can provide are resources, foreign labor incentives, relations with China, and international relations, something that workers' groups cannot provide.

In terms of the social structure as a whole, labor policy only comes up during elections. Even if a political party that workers support ends up taking power, the demands that workers have and the policy promises called for during elections end up being diluted by the checks and balances of the political structure. Under pressure from both the legislative and executive branches, what was promised ends up being compromised.

In truth, political elites realize that the checks and balances of this system will result in a political structure in which they occupy a dominant position. As such, in terms of Taiwan's legal history, elites have sought to emphasize the legitimacy of their ability to represent the citizenry, claiming that they equally and fairly take care of the demands of voters, without favoring one group.

Yet this avoids the reality of unequal treatment of different groups, and serves as a means of avoiding political responsibility. This also strengthens the role politics plays as an necessary intermediary of relationships, leading to politics taking a hierarchically higher position with unilateral relationships to other elements, creating a bureaucratic system that does not feel the need to serve the people's will.

Moreover, the executive system should shoulder the responsibility of balancing the legislative system. However, during election policy planning, parties claim that they seek to simplify administrative regions and to regulate election periods, as a

social demand for change which appears reasonable and deserving of social support. But this is merely a means of expanding the party's control over the list of candidates.

A frequent result is that there are only two vote choices in a district, something disadvantageous to independent candidates. According to political pollings by newspapers or research institutions, even if voters are willing to vote for an independent candidate, their party vote is usually for one of the two major parties, another advantage that the two major parties have.

The historical result is that the two political parties can peacefully transition power, and safely exchange legislative power. But this makes it impossible for substantive oversight over the bureaucratic system. Even if a third force enters the legislature, it must confront pressure from other parties. Taiwan's third political parties have no means of becoming crucial minorities.

With paths for political participation monopolized by the two major parties, whether in terms of the executive system or the legislative system, there has not been the possibility of direct participation by workers or workers' groups. Without this means of direct participation, it was only through the concentration of sufficient social consensus that the legislative and executive systems would have a justification to meet a political demand or seek compromise.

With no other means, workers have had only the choice of returning to the streets to protests, sometimes even having to conceal their identities as workers to do so, through participating in social movements under other identities. With no right to speak, their sense of existence has also disappeared. The workers' movement became, among social movements, one that could not expand. And due to insufficient strength, it did not have mobilization strength, and it could not be understood by other elements of society.

In observing the Taiwanese labor movements, there have been more and more adjustments in how it is carried out. This has been termed as the labor movement becoming increasingly creative. But the reason for this diversity in the labor movement is because there is no means for workers to directly politically participate, and they could only act as a social movement, hoping to attract social attention, in order to push labor issues into the political sphere.

Given this political structure, workers could only make themselves known on the streets. Workers and workers' groups could only seek closer relations with political groups, without having the possibility of direct political participation themselves.

Having monopolized the role of intermediary, political groups could expand their organization capacity and membership in society. With closer relations between labor unions and political elements, unions were willing to give work opportunities to political stars, which resulted in mobility for political elements. In other words, political elements might move to labor unions to work for a period of time, but after accumulating enough social networks or interpersonal relations,

they might return to the political system. Very few would remain within the labor system.

It was this way with labor cadres as well. Once they have the opportunity to enter the political system, they do not look back on labor organizations, but seek political work opportunities and seek to accumulate social connections in unions. Unions have long been used as a spring board for the political domain. Even if workers did not have means of directly voting, unions should have allowed workers to voice themselves in the political domain.

But once individuals enter the political domain, they are politicians who will only emphasize their union background and history during elections. Many workers expressed disappointment toward such individuals in interviews. When seeing younger politicians enter politics, workers seem happy, but are well aware of what will eventually take place.

7.1.5. Low salaries serve as an economic and political tool

The biggest difference between Taiwanese workers and Western workers is in the possibility of class mobility or of employment choices. Taiwanese workers in Asia strive to advance to become members of the capitalist class. In other words, workers do not wish to always remain in the same socioeconomic position.

Workers seek to learn technical skills and to develop a social network to advance. Once they are no longer workers, they seek to become capitalists. Consequently, this does not lead to class consciousness or alliance between workers. Yet this promise of social mobility also proves a means for the capitalist class to control workers.

On the other hand, in examining the development of industrial-capital relations, Taiwan's low wages and long working hours are linked. In European labor negotiations, the salary of a monthly-paid position will not usually be affected by the reduction of working hours unless it is an hourly-paid position.

As such, in progressive countries, with the advancement of technology that has led to an increase in work productivity, this brings benefits to both workers and capitalists. Capitalists see their costs reduce, while workers have more non-work hours.

But in Taiwan's working market, with advancements in work efficiency, and in increase in productivity, this leads to the opposite result. For Taiwanese workers, a decrease in working hours means a decrease in income, creating the phenomenon that Taiwanese workers are not willing to work less.

With Taiwanese culture prioritizing a high level of education, one discovers in analyzing the socioeconomic position of Taiwanese workers that this is a deeply socially embedded belief among workers. This is another reason why workers are unable to escape Taiwan's isolation.

Taiwanese workers seek opportunities because parents hope this to be an opportunity to better or turn around one's fortunes. Nevertheless, this has led to

two results: One is that one must at least graduate college and that the rank of one's university affects salary very deeply. Second, if a college degree is insufficient to obtain a sufficient salary, one will instead seek to work in the public sector.

Aside from taking national examinations to obtain job vacancies, one can take exams for specialized schools. Examples include normal colleges, police academies, military academics, and etc. Choices of employment are often related to the incentives of an occupation's salary or socioeconomic status, and this often takes precedent over personal interest. But this does not lead to identification with one's work or having pride in one's work, which lowers the possibility for collective mobilization.

Socioeconomic factors also contribute to discrepancies regarding workers' class consciousness. Investment in education, the stock market, or real estate, leads workers to be incorporated into the Taiwanese financial system during their educational period, or in carrying loans, thus becoming sacrifices for the financial system. With various loans for education and real estate from the government, this is seen as the government assisting the disprivileged. Capitalist financial institutions provide lower interest rate student loans and mortgages due to government subsidies, but in essence they still achieve the expected profit targets.

Workers may believe that they are obtaining opportunities to change their lives. But loans are binding for thirty years, with no means of protesting this. One falls into a trap if one is unable to return loans, and for workers, real estate values are seen as a necessary replacement for insufficient government pensions, with hopes that the price of real estate will increase. But with new generations of workers entering the work force, real estate prices continue to rise, and debt increases without limit. When workers are asked whether they can escape this institutionalized capitalist trap or whether they worry their descendants will be unable to shoulder expensive housing prices, they express dissatisfaction, feeling indignant.

With the combination of these social, cultural, and economic factors, the institutionalized work market in Taiwan has led to low salaries and long working hours. This proves a key reason for attracting foreign investment, with workers oppressed by their dreams for turning around their fortunes, and thanking institutionalized social opportunities, hoping that the economy grows. Given these conditions, workers have few other options but to compromise with capitalists, so in examining the outlook of Taiwanese workers, what proves hard to understand is how industry becomes larger and larger, yet: 1. workers' daily working time is longer and longer, 2. more and more workers have no way to take care of their children and family, 3. the number of workers who can only return home after 10 PM is higher and higher.

In other words, workers have given up personal time and time with their families for economic interest. So who is it that can participate in politics? With workers busy working for their livelihood, who can serve as representative of workers'

interests? Is this the natural consequence of long hours and low salaries or a deliberate political stratagem?

Moreover, workers struggling to survive may fear that changes may weaken their employment opportunities or the salaries they obtain, and workers lose the capacity of social mobilization, making it difficult to mobilize to make political demands. What little time workers have is spent on rest and taking care of family matters; they have insufficient time to be devoted to civil society.

7.2. A proposal: The possibility of advancing Taiwanese civil society —if workers lack institutionalized participation, Taiwanese democracy cannot advance

The mainstream of modern political thought is "civil society", which regards civil society as a possible solution to modern democratic issues. The key characteristic of civil society is that each individual can decide their means of political participation, and that individual choice can serve as a contribution to society as a whole. In terms of voting behavior, voting or not voting does not serve as a means of not contributing in political decisions; it means turning over one's deciding capacity to other members of society, in affirming the results of the choices they make. Of course, the joint responsibility for such decisions must be carried together.

Because regular democratic elections are held in Taiwan, according to the standards of a democratized society, there are certain standards for civil society as well. This serves to incorporate all elements of society into political decisions, allowing for better shared decision-making, as well as collectively shouldering political responsibilities.

This kind of collectivization has the possibility of the political system losing control. Social integration means that the identity of social units no longer plays a role, and this seems to be able to eliminate class problems in society. However, there is still a large discrepancy between pan-Green and pan-Blue in Taiwanese society. The call for social integration hopes to return students to their identities as citizens, without this being covered up by other identities. In theory, this should allow for understanding between the pan-Green and pan-Blue camps. But there is no way to integrate different ethnic groups, seeing as there is an unerasable difference.

Civil society serves as a tool for social integration, but it is an exceptional result for a society to enter this stage as a whole. Civil society does not call for erasing difference, but understanding different stages of historical development, race and ethnicity, culture, and class, in order to allow for mutual influence. To eliminate social identity will lead to a social structure such that the political system becomes controlled by a specific social group. As such, civil society does not only exist in social movements, various positions in the political sphere are monopolized by representatives of groups in a manner that erases the original questions of legitimacy and representativeness in the political system.

But how can we avoid losing legitimate representation in a manner that assists civil society? Civil society can be used as a notion for the political system to control society, or it can serve as a means of supplementing a representative political system, filling in for its passive elements, creating a mutual system between political relations, creating oppositions.

When discussing the relation between civil society and direct democracy, Otfried Höffe argues that civil society can provide an originary principle for this transition (das Prinzip der Subsidiarität). He believes that the deficiencies of the current democratic system can be made up for by civil society⁶²⁵.

In feudalism, there is a tight relation between social classes, without space for the development of a democratic representative system. A classed bureaucratic system was formed out of a democratic representative system, and civil society could also serve as a social mode of operation for the bureaucratic system.

Yet the opposing relationship between civil society and representative system might not be like in past political history; it might not serve in struggling for power. Rather, through different social elements in the political system, this could lead to peaceful social embeddedness, or a means for politicians to serve their supporters. This could lead to the establishment of a new social political ecology through substantive embedded relations with the representative system.

Concerning the institutionalization of the Taiwanese labor system, Taiwanese workers confront the pressure of institutionalization and regulation. Workers were regulated during the Japanese colonial period to use labor as a tool for productivity, without the possibility of political participation. After the KMT came to Taiwan, although it had a far-thinking system set up for political representation by workers, this was part of the system used to prevent national elections from being held. Neither could workers be represented through this system. Moreover, given the KMT's opposition to the CCP, workers were prevented from coming in contact with ideologies regarding communism, or regarding working class representatives in political power.

In the process of democratization, the two major political parties removed direct political representation for workers. Even if Taiwan advanced to stable transitions between political parties, neither were civil society groups allowed to directly participate in political representation. The political system that was established was one in which only political parties could serve as political cores, as the end-all-be-all of politics.

That there were no direct channels for communication between workers and capitalists was the only consensus of non-consensus. It was only through the government, political parties, and politicians that there could be communication between both sides. Were worker-capital relations something that only the representative system could address?

⁶²⁵ Otfried Höffe, (2001). *Demokratiethorie als politische Philosophie - Über Bürgergesellschaft und die Notwendigkeit direkter Demokratie.*

For the majority of workers that were part of Taiwanese society, they felt that the social structure in Taiwan was like this was advantageous to them. It was not only that workers had different social identification, but with a stratified union system, it was easy for this to supplement the representative system. Special representatives in the electoral system were chosen on the basis of ethnic or party interest, instead. Workers still lacking a means of direct participation in politics became a reason for Taiwanese civil society mobilization.

Because of this political system, Taiwan's current electoral framework involves two votes in each electoral district. In terms of this electoral structure, local representatives cannot become workers' representatives, because there are many members of society in an electoral district other than workers, resulting in the possibility of compromises regarding labor issues.

Part of the legislature is selected by proportional party voting. Proportional voting is not on the basis of individuals, but for party lists. Consequently, parties which come up with the lists for proportional voting also face pressures from supporters to compromise. Does this prove occluding of democracy? This is also a question worth considering.

Political parties occupy this position in the electoral system, while civil society groups and unions are unable to propose party lists. This creates the possibility of the representative system being monopolized.

It is clear that workers in unions and other organizations can be found throughout society, but civil society lacks the possibility to break through this system. Political parties are able to control this system, though a preferable system would be to open this up to labor unions, to directly allow labor unions to participate in the political system. Then one could have labor issues be directly addressed, without having these issues constantly compromised on, and this would be a means of advancing Taiwan's democratization.

Lastly, we might close with a quote from World Economic Forum chair Klaus Schwab in 2017:

Ultimately, the adaptability of the government system and public authorities will determine their survivability. If they can withstand the shockwaves of a changing world, if the government system can become more transparent and effective, if it can preserve competitiveness, then it can survive. If it is not able to advance, then it will confront more and more troubles.

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