

Workers' Plight Increases Under the Ma Administration

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In 2008, Taiwan completed its second peaceful transfer of power, showing that democracy has deepened and has become a part of people's lives. The democratic system is great in that it gives citizens the opportunity to use their votes to review the political promises and performance of those in power. Should they fail to live up to voters' expectations, they can be sure to be severely sanctioned at the ballot box.

This article will analyze and comment on the results of the Taiwan Brain Trust opinion poll on the performance of President Ma Ying-jeou's Government with regard to the following four topics: "personal perception of the economic recovery," "severity of the wealth gap," "severity of unemployment," and "the civil servant salary hike."

First, asked about their personal perception of the economic situation, 30.5 percent of the respondents said they feel the economy has worsened, a clearly higher ratio than the 16.8 percent who think it has improved. Almost half of the respondents believe that the situation remains more or less the same. Without doubt these results are a slap in Ma's face, because not long ago the president rhetorically asked citizens during a temple visit "aren't you happy" as he pointed out that the economy had grown 10 percent in 2010. Evidently there is a huge perception gap between the upper echelons of Government and ordinary people.

Secondly, as many as 51.6 percent of the respondents oppose or strongly oppose the 3 percent salary raise for civil servants. The vast

majority of working people has experienced high unemployment and shrinking wages during the past two years. As real wages decline, they witness that the Ma Government is completely clueless as to how to stabilize consumer prices, yet still wants to help civil servants get a pay rise. Against this backdrop protests are unavoidable.

As for the poverty gap, almost 80 percent (78.6 percent) of the respondents think that the income disparity between the rich and the poor is "very serious" or "serious." Over the past decade or so, the Government has continuously promoted tax cuts, which has resulted in a severe erosion of justice in taxation. After the Ma Government took power, further tax reductions made things worse, widening the poverty gap in Taiwan. The problems of the working poor and the poverty gap have already become major contradiction in Taiwanese society.

Finally, although the Government keeps declaring that the economy is recovering and that the unemployment rate is steadily declining, 57.6 percent of the respondents think that unemployment has proven to be a very severe or severe problem for Taiwan during the past three years. Taiwan's unemployment rate hit an all time high of 6.13 percent in August 2009, and the average unemployment rate for the year 2010 stood at 5.21 percent, also a historic record. If we look at the situation based on the statistical numbers for persons who are long-term jobless or not in the labor force, Taiwan still has a severe unemployment problem.

When the Taiwan Labor Front held a press

conference on Jan. 27, 2011, it chose “poverty” as the most representative word to describe the plight of Taiwan's workers. Following are some major observations:

(1) *The wages of Taiwanese workers have shrunken to the level of 12 years ago*

If we put the issue in its historical context, the average real wage in 2009 stood at NT\$40,371, slightly lower than the average real wage of NT\$41,356 registered in 1997. While average real wages somewhat climbed in 2010, they have only caught up to the NT\$41,935 seen in 1998.

Besides, if we look at the annual growth of real wages after subtracting the annual change in the consumer price index (CPI), we can find that wage growth still lags far behind CPI growth. Compared to 1995, real wages have shrunk 9.7 percent in 2010. In 2009 minus growth reached a shocking 13.20 percent as average real wages fell and the CPI soared on the back of the financial crisis.

(2) *Massive increase in part-time and temporary agency jobs*

The number of people in Taiwan who work less than 35 hours a week has multiplied from 79,800 in 2004 to 530,000 in December 2010. In December 2008 that number once hit 1.3 million people. Some unemployed workers who do not qualify at all for unemployment benefits, and have no other avenues to obtain assistance, find themselves in dire straits.

Taiwan’s part-time worker population stands at

384,000 people, while 539,000 work for temporary staffing firms or as temporary workers. Labor market flexibility is on the decline. The number of people with mini jobs or low-paying jobs is rapidly increasing so that working conditions deteriorate, causing the problem of the working poor. Workers who are dispatched by temporary staffing firms do not only face lousy working conditions, but their self respect also greatly suffers.

(3) *Continued increase in long-term jobless among university graduates*

Tertiary education is no longer a job guarantee. In 2004, 86,742 people were long-term unemployed, including 22,614 or 26.07 percent who had a college or university degree. In 2009 as many as 101,334 people were long-term unemployed, with the ratio of jobless with a college and university degree having risen markedly. In 2010, as many as 41.11 percent of the long-term unemployed were people with college or university education. At the same time the average length of unemployment increased from 29.4 weeks to 30.72 weeks.

(4) *High number of workers pulling out of the labor market*

Workers are pulling out of the labor market in droves. Persons not in the labor force increased at an average rate of 100,000 per year from 7.02 million in 1999 to 7.992 million in 2010, accounting for 34.6 percent of the total population. The number of persons not in the labor force has

not fallen at all with the declining unemployment rate. This shows that the Government's policy to provide only short-term jobs has failed. Among the persons not in the labor force are many people who have completely lost hope in finding a job and have therefore exited the labor market, or people who put off entering the workplace because of the currently difficult employment situation. The decline in the unemployment rate is therefore an illusion.

Based on the Government's Manpower Utilization Survey 2010 presently almost 725,000 workers in Taiwan earn a monthly pay of less than NT\$17,280. The fact that atypical employees working less than 35 hours per week are on the increase and that a large number of workers earn less than NT\$20,000 a month shows again and again how severe the problem of the "working poor" is in today's Taiwan. If the Ma Government does not want to squarely face the major problems that currently plague Taiwan's workers, but only knows how to fool itself into feeling good about itself, it surely won't be able to win broad worker support. 