The Strategy of Political Action in Union Revitalization: Lessons from the Telecommunications Industry in Australia and Taiwan

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This study analyzes how telecommunications unions in Australia and Taiwan struggled for their members' interests in response to privatization during 1996-2004. It argues that union revitalization is based on unions' responses rather than external environments; and although unions' strategic choices are influenced by institutions, what is significant is the reciprocal interconnections between the two. This study highlights the importance of union leaders' decisions and membership participation during privatization. Importantly, unions in Australia and Taiwan can learn from each other's successful experiences in a restructuring environment, such as privatization.

KEYWORDS: privatization; union revitalization; Telstra; Chunghwa Telecom Company; telecommunications.

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In the past, few scholars have compared industrial relations in dissimilar countries in the East and the West (like Australia and Taiwan) because their different social, cultural, and economic histories do not provide a unified basis for comparison. However, it is useful to compare Australia with Taiwan because of the similar situation of the telecommunications industry in both countries—an industry of global importance, subject to an accelerating rate of change, formerly wholly-owned and managed by governments as a public utility, but currently being corporatized and privatized in stages.

These similarities provide the basis for a comparison of the ways in which telecommunications industry workers have been, and are being, affected by changes to their industry and the ways in which these workers and their unions have responded, and are responding, to these changes. An understanding of the impact of privatization on the telecommunications workers in these two countries could help illuminate the nature and effects of union strategy in diverse circumstances.

The number of industries in Australia which are publicly owned and managed, and therefore the number of public sector employees, has fallen dramatically in the last decade. Many have first been corporatized, enabling them to operate like private sector businesses through still state-owned, and later privatized, with ownership transferred to the private sector. In Australia, TAA and Qantas and the Commonwealth Bank were privatized, and other industries at different stages of this process include railways, electricity, postal services, health services, and telecommunications.

The corporatization, outsourcing, and privatization of publicly owned and managed industries have occurred at much the same time and on much the same scale in Taiwan. Industries in Taiwan most affected include petroleum, railways, electricity, and telecommunications—all of which were originally state-owned enterprises (   ).

In both countries, the reasons given for such privatization by successive governments of different political persuasions include increasing

efficiency at the enterprise level and raising funds. Meanwhile, these improved policies achieve the objective of zero public debt, thus ultimately creating competition in the global market. The similarities between the privatization policies of both sides of politics in both countries—despite their very different social, political, cultural, and economic histories—indicate the overwhelming influence of globalization.

In the process of privatization in Taiwan, employee participation has become a significant issue. When they were within the public sector, these workers did not have the legal right to negotiate their working conditions with their employers. Some scholars claim that the successful institution of employee participation relies on a concrete basis of union operation.[1] In this situation, the Taiwanese workers needed to find the strategies necessary to establish an effective system of employee participation when they faced the impact of privatization.

For the purpose of this paper, three unions—the Community and Public Sector Union (CPSU) and the Communications, Electrical, and Plumbing Union (CEPU) of Australia; and the Chunghwa Telecom Workers' Union (CTWU,   ) of Taiwan—were chosen because they met the following criteria: (1) union density in all cases was higher than the average level in other industries (approximately 50 percent unionization rate); (2) traditionally, telecommunications unions only looked after employees hired by one firm; (3) the CPSU, the CEPU, and the CTWU all faced membership crises during privatization; (4) globalization and privatization increased the possibility of union revitalization; and (5) two paired cases (the CPSU and the conditional support group in the CTWU; the CEPU and the anti-privatization group in the CTWU) appear to illustrate the categories of the service and organizing models of unionism.

Over the past two decades, there has been an extensive argument regarding how far economic, political, and societal changes are responsible

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[1]Pan Shih-wei, "Politics of Workers' Participation: Taiwan vs. Germany," *Journal of Labor Research* 1, no. 1 (1999): 123.

for trade union decline.[2] I plan to take this debate a step further by focusing on the actors' responses rather than their external circumstances, following Richard Hyman.[3] This paper questions whether privatization automatically means trade union decline.

Labor's Urgent Mission in
International Restructuring and Privatization

In many different countries, restructuring has been accompanied by a concentration of investment and job losses, resulting in redundant or down-sized operational units; the intensification of work through new working methods; and the reduction in relative wage costs by the introduction of flexible work contracts and the outsourcing of peripheral labor.[4] All of these trends have served to reduce the number of people who are union members, the union density in many industries, and, presumably, union power.[5] In addition, future alternative governments are unlikely to restore all that unions have lost in a restructuring environment under incumbent governments.[6] Unions need to make their own strategic choices in response to a restructuring environment, beyond recurrent opposition to employers and governments.

Over the past thirty years, employers across many countries and in many industries have linked money-saving redundancies with an anti-

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[2]Jeremy Waddington and Reiner Hoffmann, "Trade Unions in Europe: Reform, Organiza-tion, and Restructuring," in *Trade Unions in Europe: Facing Challenges and Searching for Solutions*, ed. Jeremy Waddington and Reiner Hoffmann (Brussels: European Trade Union Institute, 2000), 357-60.

[3]Richard Hyman, *Understanding European Trade Unionism: Between Market, Class, and Society* (London: Sage, 2001).

[4]Martin Upchurch and Andy Danford, "Industrial Restructuring, Globalization, and the Trade Union Response: A Study of MSF in the South West of England," *New Technology, Work and Employment* 16, no. 2 (2001): 100-117.

[5]Although generally some degree of global convergence is detectable in that management has sought to restrict union influence and reduce labor costs, the causes of these trends have varied from sector to sector.

[6]Peter Boxall and Peter Haynes, "Strategy and Trade Union Effectiveness in a Neo-Liberal Environment," *British Journal of Industrial Relations* 35, no. 4 (1997): 580.

union strategy. This has been achieved firstly because redundancies create a climate of vulnerability in which employees are more willing to accept individual contract offers and, perhaps, reject unionization.[7] Unions may be bypassed as employees are pressured to enter into personal contracts in which pay reflects individual performance indicators, and where the union can be excluded from the process.

Second, the company restructuring and downsizing that tends to come in the wake of privatization usually reduces the density of union membership.[8] In Australia, for instance, the Williamstown Dockyard privatization was followed by the victimization of union delegates, and eventually the dismissal of the entire workforce which numbered 1,500 prior to the start of the privatization process.[9]

Third, a government policy of privatization provides an opportunity for companies to rid themselves of union activists, either by deliberate targeting, or because the more senior, more experienced staff (which usually includes many union activists) take advantage of service-related redundancy benefits and leave willingly.[10]

Fourth, moving from a national to a localized wage determination process curtails, or at least undermines, union negotiating rights.[11] Economic restructuring by business usually represents a movement toward the decentralization of collective bargaining, and this management strategy diminishes the unions' ability to standardize working conditions in the unionized sector.[12]

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[7]Stuart Svensen and Julian Teicher, "The Privatisation of the Australian State and Its Implications for Trade Unionism," in *Proceedings* of the 12th annual AIRAANZ (Association of Industrial Relations Academics of Australia and New Zealand) conference, Wellington, New Zealand, 1998), 360.

[8]Chu Jou-juo, "Privatization and Labor: the Telstra Experience," in volume 2 of *Proceedings* of the 14th annual AIRAANZ conference, Newcastle, New South Wales, Australia, 2000), vol. 2 (8 pages), 5-6.

[9]See note 7 above.

[10]David Peetz, "Decollectivist Strategies in Oceania," *Relations Industrialles/Industrial Relations* 57, no. 2 (2002): 258.

[11]See note 8 above.

[12]Richard Bourque and Cliff Riioux, "Industrial Restructuring and Union Response: The

Fifth, an alternative, more radical approach enforces a major shift in the employment status of unionized employees, by casualizing staff or outsourcing unionized work to new businesses, deliberately "beyond the reach" of union officials.

There is broad acceptance of the view that there is a crisis in union effectiveness across the industrialized world, and membership decline is the clearest and simplest evidence of this decline of unionism. Union membership density (the proportion of employees belonging to a union) declined dramatically during the 1980s and the 1990s.[13]

Unemployment and economic restructuring in many industrialized countries have eroded the conventional base of support for unions in heavy industry.[14] At the same time, management strategies have challenged union presence and collectivism in the workplace,[15] and unions have confronted devastating and continuing attacks from government policies. Moreover, in the 1980s, union power declined not only as a result of restrictive legislation, government strategy, and employer opposition, but also because of the unions' own internal and external organization problems.[16] In this context, unions in the private sector have been undermined by the combined forces of globalization, deregulation, and increasing management antagonism. Meanwhile, public sector unions have faced the parallel threats of massive budget reductions and privatization.[17]

Since the 1980s, Australian unions have been in serious crisis. The decline in Australian union density in the past two decades has been chiefly

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Experience of the Federation des travailleurs du paper et de la foret in Quebec," *Labor Studies Journal* 22, no. 2 (Summer 1997): 4.

[13]Peter Fairbrother and Gerald Griffin, "Introduction: Trade Unions Facing the Future," in *Changing Prospects for Trade Unionism*, ed. Peter Fairbrother and Gerald Griffin (London and New York: Continuum, 2002), 1.

[14]Hunter Bradley, "Divided We Fall: Unions and Their Members," *Employee Relations* 16, no. 2 (1994): 41-52.

[15]Peter Fairbrother, "The Contours of Local Trade Unionism in a Period of Restructuring," in *Trade Unions and Their Members: Studies in Union Democracy and Organization*, ed. Patricia Fosh and Heery Edmund (London: Macmillan, 1990), 147.

[16]See note 14 above.

[17]Robinson W. Hurd, "In Defense of Public Service," *WorkingUSA* 7, no. 1 (2003): 6-25.

due to three elements[18]: structural change in the labor market; an institutional break or "paradigm shift" in the factors determining union membership; and the failure of some unions to offer the infrastructure or act with sufficient vigor or cohesion to prevent employer strategies from leading to a decline in union density and membership. In Australia, union membership density dropped by two-fifths from 1976 to 1996.[19]

In Taiwan, the situation is complex: two types of union are defined under Taiwanese law: industrial and craft unions.[20] The number of union members increased from 2.09 million members in 1987 to 2.92 million in 1998.[21] However, this aggregate figure is somewhat misleading as the increase in membership has occurred in craft unions but not in industrial unions. Craft unions are really much more like "worker beneficial associations," and they play a less significant and less active role in Taiwan's industrial relations system, partly because the members of craft unions are predominantly self-employed. Taiwanese employees join craft unions to be eligible to enroll in an employment insurance program rather than to take part in union activities.[22] In contrast, government employees not working in excluded categories (such as persons employed in the administrative and educational agencies of government and the munitions industries) have full representation rights and can form and join what are termed "industrial unions." Taiwan's industrial unions have the majority of "bona fide" members.[23] Industrial unions in Taiwan have retained their full representation rights, such as collective bargaining and the right to strike.[24]

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[18]David Peetz, *Unions in a Contrary World: The Future of the Australian Trade Union Movement* (Cambridge: Cambridge University Press, 1998), 3.

[19]Ibid., 1.

[20]These are literal translations from Chinese; these terms have different meanings in Taiwan and Australia.

[21]Joseph S. Lee, "Changing Approaches to Employment Relations in Taiwan," in *Employment Relations in the Asia-Pacific*, ed. Greg J. Bamber et al. (Sydney: Allen & Unwin, 2000), 106.

[22]Shyh-jer Chen, Jyh-jer Ko, and John Lawler, "Changing Patterns of Industrial Relations in Taiwan," *Industrial Relations* 42, no. 3 (2003): 320.

[23]See note 21 above.

[24]See note 22 above.

The membership of industrial unions, however, has fallen dramatically, from 0.7 million in 1987 to 0.58 million in 2000.[25]

An Analytical Framework:
Making Connections between Union Strategy and
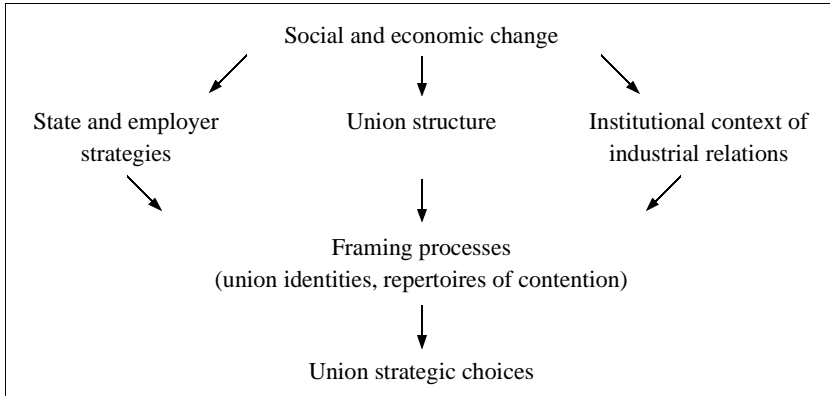## Union Revitalization during Privatization

What is an effective union strategy during privatization? To accommodate research within and across unions, a comparative, case-based analysis was selected. This study examines two telecommunications companies, one in Australia and one in Taiwan, namely Telstra and Chunghwa Telecom Company (CHT,   ). These companies are facing a similar experience of partial privatization. As of 2005, their respective governments still held more than a 50 percent share in these companies. In addition, in both companies unions experienced declining membership, reflecting the impact of privatization and certain external events.

While there are similarities in the union situation in these two companies, the decline in their union membership is different in many ways. In order to make comparisons of union strategies and revitalization from a cross-national perspective, I selected three unions: the CPSU and CEPU in Australia, and the CTWU in Taiwan, because they represent telecommunications workers in Australia and Taiwan. These unions have a shared experience of membership decline during privatization but they represent divergent forms of trade unionism, based on their institutional location, union identity, structures, and differences in the employers, political parties, and state strategies in the two countries. This paper adopts a structural approach, with each case study addressing a common set of questions aimed at developing or testing analytical models of theoretical arguments.

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[25]Chiu Su-fen, "Labor Control in Worker's Perspectives," *Journal of Contemporary Asia* 32, no. 4 (2002): 483.

Figure 1
A Social Movement Model of Union Strategic Choices

Social and economic change

State and employer strategies   Union structure   Institutional context of industrial relations

Framing processes
(union identities, repertoires of contention)

Union strategic choices

      Carola M. Frege and John Kelly provide an analytical model of union revitalization strategies to explain the cross-national similarities and differences in relation to the issue in question.[26] This model is based on a classical framework used in the social movement literature. Research on social movements has often focused on weakly institutionalized organizations and campaigning bodies, and has emphasized the significance of internal debates around organizational aims and methods and the ways in which issues are "framed" by different actors.

      The model (see figure 1) consists of four independent variables (social and economic change, institutional context of industrial relations, state and employer strategies, and union structure); a process variable (framing processes); and the dependent variable (union strategic choices). Social and economic change denotes trends in the structure of the economy and of labor and product markets. The institutional context of industrial relations incorporates collective bargaining structures, legal and arbitration procedures, and the political system, including corporatist institutions.

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[26]Carola M. Frege and John Kelly, "Union Revitalization Strategies in Comparative Perspective," *European Journal of Industrial Relations* 9, no. 1 (2003): 7-24.

By definition, unions and employers are actors rather than institutions.[27] State and employer strategies derive from the other key actors within the industrial relations system.[28] Union structure includes the horizontal and hierarchical organization of the union movement as well as contacts among unions and with other social movements. Also included are national union leaderships and their relations with other union officials and rank-and-file union members. Framing processes are the ways in which unionists perceive and think about alterations in their external context as well as threats or chances. They often express aspects of a union's identity and draw from familiar ideas about union action, or "repertoires of contention."[29] Union strategic choices have generated three possible determining factors: institutional differences, identity divergences, and differences in employer, political party, or state strategies.[30] In addition, Frege and Kelly raise the concept of union revitalization through six main strategies: organizing, organizational restructuring, coalition building with other social movements, partnerships with employers, political action, and international links.[31]

The strategy of political action may offer access to power resources, resulting in more favorable labor legislation or in corporatist labor market regulation.[32] The nature and scope of organized labor's political action is dependent on how unions see their role in society and how society sees the labor movement. In 2003, Kerstin Hamann and John Kelly identified six main forms of political action: (1) links with a political party; (2) lobbying the legislature; (3) lobbying the executive or bureaucracy; (4) social pacts with government through which unions are involved in state policy formation; (5) political strikes; and (6) the strategic use of legal challenges.[33]

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[27]Ibid., 13.

[28]Ibid., 14.

[29]Ibid.

[30]Ibid., 12.

[31]Ibid., 9.

[32]Ibid.

[33]Kerstin Hamann and John Kelly, "Union Revitalization through Political Action? Evidence

The use of political action has been a central strategy adopted by many, if not all, unions in Australia over the last century. The response of Australian trade unions to increasing globalization involved adopting a corporatist arrangement between the Australian Council of Trade Unions (ACTU) and the Federal Labor Party (when that party was in government between 1983 and 1996). This was exemplified by the Prices and Incomes Accord, adopted in 1983.[34] The Accord process was predicated on union incorporation into political decision-making under a Labor government.[35]

Comparing the cases of Telstra and CHT, the CPSU adopted political strategies in opposing Telstra's privatization, including the lobbying of politicians in the Senate and in the House of Representatives, particularly those members representing the National Party. This was similar to the CTWU's actions with regard to the planned privatization of CHT, where the anti-privatization group adopted a strategy of lobbying politicians.

In Taiwan, after martial law was lifted in 1987, the newly-formed opposition parties seized every opportunity to work closely with unions, even though the latter were still under the control of the Kuomintang (KMT,).[36] Workers, and particularly organized unions, are significant sources of votes and political support in Taiwan. Many Taiwanese unions in the heavy and capital-intensive industries in particular chose to cooperate with the opposition Democratic Progressive Party (DPP,), because they believed it would provide better political protection for their members.[37] In addition, with growing concerns about job security

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from Five Countries," in *Proceedings of the 55th Annual Meeting*, ed. Adrienne E. Eaton (Champaign, Ill.: Industrial Relations Research Association [IRRA], 2003), 105-12. http://www.press.uillinois.edu/journals/irra/IRRA_Proceedings_2003.pdf.

[34]John Burgess, "Globalization, Non-Standard Employment, and Australian Trade Unions," in *Globalization and Labour in the Asia Pacific Region*, ed. Rowley Chris and John Benson (London: Frank Cass), 98.

[35]Peter Gahan and Simon Bell, "Union Strategy, Membership Orientation, and Union Effectiveness: An Exploratory Analysis," *Labour and Industry* 9, no. 3 (1999): 8.

[36]Joseph S. Lee, "Political and Workplace Democracy in Taiwan," in IRRA *Proceedings of the 56th Annual Meeting* (2004), 2.

[37]John Minns and Robert Tierney, "The Labour Movement in Taiwan," *Labour History*, no. 85 (November 2003): 103-28. http://www.historycooperative.org/journals/lab/85/minns.html (accessed August 25, 2007).

and working conditions, union activists have campaigned politically for new industrial legislation (the Labor Standards Law), which guarantees minimum wage rates and better working conditions in response to globalization.[38]

Many have argued that a union revitalization strategies model from a comparative perspective, as used by Frege and Kelly, is the best model for analyzing case studies of both Australian and Taiwanese union responses to privatization. Importantly, the strategic choice perspective can be used to place the emphasis where it belongs: on those critical, enacted decisions that have major consequences for union effectiveness.[39]

Frege and Kelly have argued that "explaining actors' strategies by their institutional context alone is too simplistic and deterministic."[40] Actors' responses both influence and are influenced by institutions; what is significant is to find the interconnections between the two. In addition, the structure and character of institutions themselves need to be explained. This model is linked to my argument—focusing on actors' responses rather than their external environment. In this paper, "political activity" is identified as the main resource of union revitalization identified by Frege and Kelly.

Data Collection and Analysis

Primary and secondary data for this paper were collected from a broad range of sources, such as interviews, company reports, government reports, union documents, books, journal articles, and the Internet. Gathering data on the same issue by different methods generated a multi-method research, whereby the strengths of one research method helped to compensate for potential limitations in other approaches.[41] When differently-

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[38]Ibid., 120.

[39]Boxall and Haynes, "Strategy and Trade Union Effectiveness," 585.

[40]Frege and Kelly, "Union Revitalization Strategies in Comparative Perspective," 12.

[41]Bill Gillham, *Case Study Research Methods* (London and New York: Continuum, 2000), 13-14.

sourced data converge to tell a similar story, this suggests that a clear picture of a particular topic or issue has been developed, which increases confidence in the findings.[42]

The dynamic nature of the employment relationship and union strategy and relationships were usefully explored through interviews. A semi-structured interview schedule was designed, based on the published materials and literature concerning telecommunications unions and companies in Australia and Taiwan. During the course of interview research, sixteen semi-structured interviews were conducted in Australia and Taiwan with individuals who were associated with the privatization of Telstra and CHT. Interviewees were mainly union officials who served in middle- and high-level positions in the CPSU, the CEPU, and the CTWU, plus some low-level union officials and members of the Telstra and CHT management.

Lower-level union leadership has been studied extensively, but research on high-level union leadership is much sparser.[43] The decisions of national union leaders are significant, because these people occupy a decisive position of power in the labor movement. If these union officials fail to take responsibility for the current status of unions, then this failure may contribute to a persistent downward spiral of unionism.

In the Telstra case, there were ten interviewees who took part in this study. Eight were senior officials in the CEPU and two were top leaders of the CPSU (see table 1). These interviewees included an elected branch president, two branch vice presidents, and two branch secretaries (or regional secretary), who are defined as "CPSU High Level" or "CEPU High Level." The others, defined as "CPSU Middle Level" or "CEPU Middle Level," included three divisional assistant secretaries, a union organizer, and an industrial research officer.

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[42]Nick Giles Fielding and Jack Leon Fielding, *Linking Data: The Articulation of Qualitative and Quantitative Methods in Social Research* (Beverly Hills, Calif.: Sage, 1986), 24-25.

[43]Jack Fiorito et al., "Visions of Success: National Leaders' Views on Union Effectiveness," *Labor Studies Journal* 22, no. 1 (Spring 1997): 4.

Table 1
The CPSU and CEPU Interviewees

Pseudonym	Title	Sex	Interview Date
Mary	Industrial Research Officer (CEPU)	Female	October 16, 2003
John	Organizer (CPSU)	Male	October 30, 2003
James	Branch President (CEPU)	Male	October 27, 2003
Peter	Branch Secretary (CEPU)	Male	October 20, 2003
Alice	Assistant Secretary (CEPU)	Female	October 20, 2003
Stewart	Assistant Secretary (CEPU)	Male	October 20, 2003
Paul	Assistant Secretary (CEPU)	Male	October 15, 2003
Jenny	Regional Secretary (CPSU)	Female	May 4, 2004
Angel	Branch Vice-President (CEPU)	Female	May 5, 2004
Barry	Branch Vice-President (CEPU)	Male	May 12, 2004

I conducted six interviews at the Chunghwa Telecom Company all with officials of the CTWU. They included two elected union presidents, a standing director, a standing supervisor, and a secretary-general. I define these people as "CTWU High Level." The other interviewee was an industrial research officer, defined as "CTWU Middle Level" (see table 2). All interviewees had more than fifteen years' work experience in their units.

Investigation of the key propositions derived from the literature requires deep analysis of specific union examples and experiences. The case study approach which is explicitly designed to suggest, develop, or test generalizations with broader application is therefore appropriate. Information was collected concerning the means used by the CPSU, CEPU, and CTWU to achieve their goals during the privatization of their respective companies. A comparison of the political action in Telstra and CHT was undertaken in order to discern and conceptualize similarities or divergences and explore patterns. In some instances there was a blurring between the categories in that information could be ascribed to more than one category. In this situation, the information was categorized according to how the union articulated the issue (for example, where the union claimed an issue was industrial activity as opposed to service activity).

Table 2
The CTWU Interviewees

Pseudonym	Title	Sex	Interview Date
Lin	Standing Supervisor	Male	December 10, 2002
Ho	Standing Director	Male	December 6, 2002
Wang	Union President	Male	December 13, 2002
Ku	Union President	Male	December 17, 2003
Yang	Secretary-general	Male	December 10, 2003
Kao	Industrial Research Officer	Female	December 17, 2003

Union decline and revitalization are notoriously hard to define, particularly from a comparative perspective. The literature has usually focused on quantitative measures such as membership density or bargaining coverage, without acknowledging their potentially different meanings in different industrial relations contexts.[44]

To gain a clear insight into the concept of union revitalization, the data gathered on union strategic choice (political action) in this study were then analyzed. In the process of privatization, the strategies used by the CPSU, the CEPU, and the CTWU can be evaluated by asking whether they delayed or stopped the progress of privatization. At the end of this paper, I will evaluate whether the "service model" of unionism or the "organizing model" of unionism was more effective during privatization.

The Australian Telecommunications Context

In Australia, three major government business enterprises have been privatized in recent years. They are the Commonwealth Bank in 1996, Qantas airlines in 1995,[45] and one-third of Telstra, Australia's telecom-

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[44]Frege and Kelly, "Union Revitalization Strategies in Comparative Perspective," 8.

[45]Peter Fairbrother, Stuart Svensen, and Julian Teicher, "The Withering Away of the Australian State: Privatisation and Its Implications for Labour" (Melbourne, Australia: National Key Centre in Industrial Relations, Monash University, 1997), 6.

munications company, in 1997.[46]

Australia's Labor government took a number of steps toward break-ing up the country's longstanding telecommunications monopoly in the late 1980s. Rudimentary changes were introduced with the Telecom-munications Act 1991: Telecom was merged with Overseas Telecom-munications Corporation (OTC) to create the Australian and Overseas Telecommunications Corporation (AOTC, renamed Telstra in 1993). The government-owned satellite system, Aussat, was privatized and became the foundation for a second general telecommunications company, the license for which was granted to Optus Communications. A third mobile license was granted to Vodafone (see table 3).[47]

In 1997, the Australian coalition government initiated a review to consider the options for policy, legislation, and regulation, following the expiry of the existing duopoly arrangement.[48] One-third of Telstra was sold by public float in November 1997 under legislation passed by the Federal Parliament in December 1996. This sale generated almost $14 billion.[49] The coalition parties went into the 1998 election with an ambition to see the remaining 66 percent of Telstra sold. However, this action was not supported by the Senate.[50] The current government still remains committed

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[46]The telecommunications industry has played an important role in Australia because of the country's size, remote location, and sparse population (about 18 million). The telephone therefore became a significant tool for communicating with friends, relatives, and public and commercial services. Telecom, Telstra's forerunner, was created out of the Postmaster-General's Department and was governed by the Telecommunications Act 1975. See Ruth Barton and Julian Teicher, "A Labor Government's Different than the Current Government: Telstra, Neo-Liberalism, and Industrial Relations" (Monash University, Melbourne, Aus-tralia, 2000), 2.

[47]Alex Brown, "The Economics of Privatization: Case Study of Australian Telecommuni-cations," in *Who Benefits from Privatization?* ed. Moazzem Hossain and Jack Malbon (London: Federation Press, 1998), 84.

[48]Some governments (e.g., Britain and New Zealand) were able to earn a lot of money by selling their telephone companies, and this persuaded the Australian government to catch up with the international trend toward telecoms privatization.

[49]Moazzem Hossain, "Privatization Issues in Australia: Some Recent Observations" (Paper presented at the Workshop for Australian Studies, National Sun Yat-sen University, Kao-hsiung, Taiwan, 1998), 1.

[50]The coalition government's plans were frustrated by independent senators who were un-willing to support the legislation despite the fact that the Liberal Party had won the election.

Table 3
Telecommunications Reform in Australia

Year	Reform type
1975	Australian Telecommunications Commission (Telecom) established as a statutory authority separate from the Postmaster-General's Department
1981	Competition introduced by the licensing of "service providers" in the value-added services
1989	Regulatory functions removed from Telecom and placed with a new independent body, the Australian Telecommunications Authority (Austel)
1991	Telecom merged with Overseas Telecommunications Corporation (OTC) to form Australian and Overseas Telecommunications Corporation (ATOC)
1993	AOTC renamed Telstra; government-owned satellite system, Aussat, privatized, becoming the basis for a second general telecommunications provider, a private company called Optus Communications
1997	Optus licensed to provide mobile services and a third mobile license granted to Vodafone; a transitional network of duopoly and a mobile triopoly established

Source: Moazzem Hossain, "Privatization Issues in Australia: Some Recent Observations" (Paper presented at the Workshop for Australian Studies, National Sun Yat-sen University, Kaohsiung, 1998), 5.

to the full privatization of Telstra.

In the opinion of the Liberal Party government, the sale of Telstra would encourage first-time investors to join in the float and employees to buy a financial stake in the company through an employee share ownership plan. The two major Telstra unions, the CEPU and CPSU, argued against the planned privatization, whereas the Telstra management argued powerfully in its favor. At the same time, the Labor Party and Democrats suggested Telstra be retained in wholly public ownership. This opposition caused the Liberal Party to delay a further sell-off of Telstra until 2002.

See Barton and Teicher, "A Labor Government's Different than the Current Government," 2.

The Taiwanese Telecommunications Context

There are three sources for the regulatory structure, infrastructure, and technological base of Taiwan's telecommunications industry: China, Japan, and the United States. These three substantial powers have, one after the other, dominated Taiwan's economy, history, culture, and security over the past two hundred years.[51] When the KMT retreated to Taiwan in 1949, it brought with it the regulatory framework for telecommunications that existed on the Chinese mainland.[52] Previously, Taiwan had been occupied by the Japanese for fifty years (1895-1945), and its postal, telegraph, and telephone systems were constructed and operated under the supervision of the Japanese Ministry of Communications.[53] In the post-World War II era, U.S. aid had an immense influence on Taiwan's economic development and political stability. This aid assisted in the building of critical infrastructure such as the telecommunications system in the 1950s and 1960s.[54]

The KMT government controlled the development of telecommunications in Taiwan, but in the late 1980s, the opposition DPP began criticizing the very close relationship between state-owned enterprises and the ruling party. In addition, the United States put strong pressure on the World Bank and GATT/WTO to persuade developing countries to privatize and liberalize their economies. In these circumstances, Taiwan's telecommunications industry needed to change its government-controlled, state-owned status in order to cope with international competition.

The framework for telecommunications reform was created by the Telecommunications Law of 1996. As amended, this law requires the Directorate General of Telecommunications (DGT) of the Ministry of Transportation and Communications (MOTC) (   ) to be

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[51]Bian Min-dao, "The Political Economy of Telecommunications in Taiwan" (Ph.D. dissertation, Graduate School of Communications, Pennsylvania State University, 2000), 134.

[52]Ibid., 137.

[53]Ibid., 138.

[54]Ibid., 149.

Table 4
Schedule for Releasing Shares in CHT

Privatization schedule	Buyers	Ways of releasing shares	Percentage of shares to be released	Target date for privatization
First Stage	Institutions	The sale of bidding price	3%	End of August 1999
	Individual investors	Sale of allocation on open market	13%	End of September 1999
	Employees	Internal sale	3.2%	End of September 2000
	Release of shares overseas	Deposit certificate in the United States	12%	End of December 2000
	Employees	Internal sale	1.8%	End of December 2000
Second Stage	General public	Releasing shares to all citizens	20%	End of June 2001
	Employees	Internal sale	13%	End of June 2001
Total			66%	

Source: Ministry of Transportation and Communications (MOTC), "Zhonghua dianxin gongsi shigu han shicheng fangshi" (The schedule and way of releasing CHT shares) (Taipei: MOTC, 2000).

more of an independent regulator, whose main task is to carry out administrative supervision and commercial operation in the telecommunications industry. In that year, the DGT's business unit was privatized as Chunghwa Telecom Company (CHT).[55] CHT will continue to be majority-owned by private enterprise, unless the Legislative Yuan (　　) gathers adequate political support to modify the Telecommunications Law in the future. In addition, in 2000 MOTC announced a timetable for opening up various telecommunications services to authorized private operation and competition with the state-run license holder (see table 4).

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[55]Chang Lin-cheng, "Zhonghua dianxin minyinghua yuangong quanyi wenti zhi tantao" (The privatization of the Chunghwa Telecom Company: a case study of the interests and rights of its employees) (M.A. thesis, Graduate School of Business Administration, Dayeh University, Changhua, Taiwan, 2001), 21-50.

In Taiwan, the state had to tread carefully with its privatization policies, since other state-owned enterprises (e.g., China Steel Company and Chinese Petroleum Company) could demand similar treatment. It was the government's duty to set a good precedent with CHT, one that could be adopted as a template for future privatizations.

Public Sector Unionism in Australia and Taiwan

In the 1990s, public sector unions in Australia attempted to implement strategies similar to those found in private sector unions, in particular through amalgamations and a culture of organizing. In 1994, the Public Sector Union (PSU) amalgamated with the State Public Services Federation (SPSF) to form a union of 25,000 members now known as the CPSU. The membership of the CPSU is largely white-collar and is derived from the employees of federal government departments, sections of the broadcasting industry, and the clerical employees of Telstra.[56]

In Australia, mergers did not succeed in stemming the decline in union membership.[57] As a result, attention turned to a new strategic response, the introduction of the organizing model, a concept promulgated by the ACTU Organizing Center from 1994 onwards. Furthermore, the fact that the public services in Australia were dominated by large organizations at fixed locations, with an articulate body of staff that could ably combine and voice its concerns, proved to be a good basis for workplace organizing.

After its creation 1994, the CPSU responded to the growth of contracting-out and privatization by adopting a new strategy of following its members into the private sector. The membership of the CPSU now em-

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[56]Barry Carter and Rae Cooper, "The Organizing Model and the Management of Change: A Comparative Study of Unions in Australia and Britain," *Relations Industrielles/Industrial Relations* 57, no. 4 (2002): 721.

[57]Eve Anderson, Gerald Griffin, and Julian Teicher, "The Changing Roles of Public Sector Unionism" (Melbourne, Australia: National Key Centre in Industrial Relations, Monash University, 2002), 18.

braces call centers and the privatized telecommunications industry, as well as the public sector.[58]

Employees in Taiwanese state-owned enterprises have long enjoyed more employment security, higher salaries, and better benefits than their counterparts in the private sector. Research and anecdotal evidence show that in the minds of many workers and union leaders, privatization is a threat to these advantages.[59] Because their jobs are at risk, the employees in Taiwanese state-owned enterprises have become more committed to their unions, and this has resulted in a more independent union movement. With privatization, the state-sponsored unionism of the past has been replaced by the more autonomous unions we observe today. Before privatization, unions existed in all Taiwanese state-owned enterprises, but their role was to support the state and economic development rather than to engage in collective bargaining.

Throughout the 1990s, most of the public sector unions in Taiwan remained firmly under the control of the Chinese Federation of Labour (CFL,), partly because the rank and file feared that the extension of independent unionism to their workplaces could undermine public sector wage indexation, a privilege denied to private sector employees.[60] Changes took place among the unions representing workers in several major state-owned enterprises, including the Chinese Petroleum Company and CHT. These unions have begun to question the legitimacy of privatization policies and to ask for industrial democracy and involvement in decision-making within their firms.[61] For instance, the CTWU proposed the "three rights of worker participation"[62] in order to protect its members' pay and conditions.

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[58]Ibid., 19-20.

[59]Chen, Ko, and Lawler, "Changing Patterns of Industrial Relations in Taiwan," 315-40.

[60]See note 37 above.

[61]Chen, Ko, and Lawler, "Changing Patterns of Industrial Relations in Taiwan," 330.

[62]The "three rights of worker participation" are: participation in business decision-making; participation in personnel decision-making; and participation in profit-assignment decision-making.

In 1996, a group led by Kaohsiung (　　)-based maintenance worker Chang Hsu-chung (　　) seized control of the CTWU, proclaiming its independence from all political organizations and lobby groups throughout Taiwan. The significance of this independence became clear during the May Day marches of 1998, where the rallying cry was opposition to the KMT's privatization legislation.[63] This was one of the largest May Day rallies in Taiwan's postwar history—some 20,000 marched in Taipei alone. The largest contingent of marchers came from the public sector unions, chief among them the CTWU.

CPSU and CEPU Responses to Telstra's Privatization

The History of the CPSU and the CEPU at Telstra

The CPSU is the second-largest union in the Telstra Corporation. The union's membership includes administrative officers, professionals, specialists in information technology, and some technical officers. The Professional Officer's Association had some members (mostly engineers in the research laboratories). When the ACTU was promoting union amalgamation, these workers, who had always cherished their independence from the rather less qualified technicians and linesmen, opted to join the PSU.[64] These employees maintained a "section" within the Communications Division of the CPSU and have their own dedicated staff.

Following the consolidation plans of the federal departments in 1987, the CPSU began to put more resources into delegate structures and into developing the union along sectional rather than regional lines.[65] In line

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[63]See note 51 above.

[64]John Rice, "Changing Employment Relations at Telstra Corporation: The Impact of Environment and Technology" (Faculty of Business, Queensland University of Technology, Brisbane, Australia, 1997), 101.

[65]Michael O'Donnell, John O'Brien, and Anne Junor, "Union Strategy and Structure in a Decentralized Environment: An Exploratory Study of the Community and Public Sector Union," *Reworking Work* (University of Sydney, 2005), 4-9.

with this, many agencies and departments with related functions were organized into divisions with an elected secretary, who was usually a full-time official of the union, and there were divisional councils made up of members elected from the agencies within each division. Each division had a number of sections. The capacity to service the agencies, however, still lay with state and territory branches.

Industrial officers and organizers from the state branches, usually with national industrial officers acting in a coordinating role, offered services to the members. Thus, while the structure of the CPSU was modified to create three power centers in the union—the national office, the state branches, and the divisions—the industrial, financial, and much of the organizing resources remained with the state branches.[66]

The largest union at Telstra at the time of writing is the CEPU, which consists of three main divisions: the Communications Division, the Electrical Division, and the Plumbing Division. Each of these has a decision-making structure consisting of a national divisional conference, a divisional council and executive, and a national divisional office.

Political Action during Telstra's Privatization:
The Responses of the CPSU and the CEPU

In this section, I will evaluate the use of political action by the CPSU and the CEPU to delay or stop the progress of privatization. After the first Telstra sell-off, the Howard government announced on March 15, 1998, that it would seek an explicit mandate from the Australian people at the next election to give Australians a further chance to buy shares in Telstra. They said they would draw up legislation to enable a float of the remaining 66 percent of the company and would refer the legislation to a Senate committee. One interviewee, Jenny (a senior CPSU official), who was deeply involved in the 1999 Telstra privatization, described how the CPSU responded to it:

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[66]Rae Cooper, "Getting Organized? A White Collar Union Responds to Membership Crisis," *Journal of Industrial Relations* 43 no. 3 (2001): 429.

> We put a lot of focus on lobbying the independent senators and those that held the balance of power, for example, the Australian Democrats; people like Brian Harradine and Mal Colston. At this stage, they had left the Labor Party. We had petitions and delegations that went to meet the senators, union officials meeting to formally lobby senators as well. So that's the types of activities we undertook to get the Senate to vote down, to not support the full privatization of Telstra (Jenny, CPSU High Level).

Two other union officials (John and James) described how the CPSU and CEPU responded to the issue of selling the remaining 66 percent of Telstra shares. John (a senior CPSU official) said:

> The CPSU involvement in Telstra privatization was to lobby politicians in the Senate and in the lower house and the National Party to stop them from going ahead with it. The CEPU also ran very strong campaigns during the federal elections, opposing the election of the current [Liberal] government because they were going to privatize Telstra (John, CPSU Middle Level).

James (a senior CEPU official) said:

> The CEPU obviously liaised quite a bit with the political wing of the labor movement which is the ALP [Australian Labor Party]. The CEPU campaign in Telstra privatization at a political level, the actual privatization succeeded on the basis of an ALP senator defecting, as it were, essentially the CEPU could only try and apply pressure through political levels on those particular people because one of the main defectors was the ALP senator from Queensland Mal Colston, the CEPU also did quite a bit of work in Tasmania as well on Brian Harradine (James, CEPU High Level).

From the interviews with John, Jenny, and James, we can see that the CPSU and CEPU used various forms of political action to oppose the Telstra sale, such as lobbying politicians in the Senate, the Lower House, and in the National Party. It is clear from the interviews that the successful political strategy of lobbying senators came from the CEPU rather than the CPSU. The CEPU obviously liaised quite closely with the Labor Party.

Lobbying alone was an insufficient response to privatization; thus the CEPU also employed the strategies of mobilizing public opinion and maintaining a consistent line in their publicity—that selling Telstra would not be beneficial for Australia. One senior CEPU official describes how the union mobilized public opinion in response to the 1997 and 1999 Telstra privatizations:

> We have responded in the main to mobilize public opinion and political op-
> position to the sale. So, we've run very major campaigns out in the electorate,
> among the population, explaining to them the dangers of privatization. We
> think that we've contributed fairly significantly, with strong feelings because all
> the polls are still showing 70 percent of the population is opposed to privatiza-
> tion. We've had some limited industrial action over the years but we've mainly
> concentrated on political and public campaigns (Peter, CEPU High Level).

The CEPU also argued that "if Telstra is sold off, it will not bring any benefit to the Australian community."[67] One high-level CEPU official ex-plained why Telstra should be retained in government hands thus: "The problem was that they'd expanded that argument and everyone knew that if they sold the rest then it would be lost to foreign capital" (Peter, CEPU High Level). In addition, according to one CPSU middle-level official, not all senators consistently supported the unions on the Telstra sale: "The Senate is stopping full Telstra privatization. Obviously the CPSU did not succeed in stopping privatization because I think it was Harradine from Tasmania, Senator Harradine, who was the key person who agreed to go along with the privatization" (John, CPSU Middle Level).

In previous studies, the effectiveness of union recruitment drives, collective bargaining, and political action has often been shown to be directly proportional to the level of membership commitment.[68] It seems that using multiple resources with political action can be an effective response to privatization rather than focusing on a single strategy, such as lobbying senators.

The Response of the CTWU to CHT Privatization

The History of the CTWU in the Chunghwa Telecom Company

The Taiwan Telecommunications Union (TTU,   ), the CTWU's predecessor, was established on June 30, 1957. All telecom

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[67]Ruth Barton, "Internationalizing Telecommunications: Telstra," in *Privatization, Globali-sation, and Labour*, ed. Peter Fairbrother, Michael Paddon, and Julian Teicher (Sydney: Federation Press, 2002), 58.

[68]Renaud Paquet and Jean-Guy Bergeron, "An Explanatory Model of Participation in Union Activity," *Labor Studies Journal* 21, no. 1 (Spring 1996): 3.

workers with Taiwan citizenship could become TTU members, with the exception of management. This, in effect, created a "closed shop,"[69] although not in the Western sense that all eligible people had to join the union. Instead, Taiwanese employees joined the union in order to have a job.

In July 1996, the DGT was transformed into CHT, and in October the same year, the TTU became the CTWU. Kuo Shi-mien (   ) was president of the TTU from 1988 to 1995. In 1988, the government's Council for Economic Planning and Development (CEPD,   ) drew up a privatization policy for the telecommunications industry. On December 27, 1988, the TTU and the DGT reached a collective bargaining agreement, which for the first time envisaged the complete sell-off of a state-owned enterprise, i.e., full privatization.[70] The TTU membership was divided into factions that either supported or opposed the privatization plan. The "conditional support group" was led by Lin Ching-chuan (

, TTU president) and Chen Run-chou (, TTU standing director), and the "anti-privatization group" (associated with the Independent Industrial Union Movement,   ) was dominated by Chang Hsu-chung.[71]

The Independent Industrial Union Movement owed its existence to a change in Taiwan's political structure. Before the lifting of martial law in 1987, Taiwanese workers did not have the right to strike and Taiwan was a one-party state. The growth of democracy weakened government control over the unions, permitting them wider autonomy. This new organization was more concerned with its members' welfare than its predecessors, because under martial law, unions largely functioned as government agencies.

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[69]Wu Chih-cheng, "Taiwan dianxin gonghui yingxiang dianxin sanfa lifa guocheng huodong zhi yanjiu" (A study of the impact of the Taiwan Telecommunications Union's activities on the legislation of the three telecommunications bills) (M.A. thesis, Institute of Labor Studies, National Chung Cheng University , Chiayi, Taiwan, 2002), 31.

[70]Lan Ke-jeng, "Zhonghua dianxin gonghui yinying minyinghua de ge'an yanjiu" (The Chunghwa Telecommunications Union's response to privatization: a case study) (Paper presented at a conference sponsored by National Sun Yat-sen University, Kaohsiung, Taiwan, 2000), 6.

[71]Ibid.

Political Action during the CHT Privatization:
The Responses of the CTWU

In this section, I will evaluate how the CTWU employed political action to delay or stop the progress of privatization.

Public hearing: On July 10, 2003, the CTWU gathered strong support among legislators and scholars at a Legislative Yuan public hearing. The vast majority of participants opposed the implementation of the share repurchase initiative in CHT. This strategy was aimed at influencing the government's policy through reasoned public argument. For example, the argument that the share repurchase would give profits to the conglomerates, or, as Cheng Kuo-tai (   ) argued, in Taiwan "privatization can be seriously affected if the political context is not taken into account,"[72] or that by borrowing money to implement the share repurchase initiative, CHT would lose its ability to compete in the communications market.

Lobbying presidential candidates and political parties: On July 27, 1999, a press report described how the CTWU had asked two presidential candidates (Chen Shui-bian   and James Soong   ) to state their position on privatization. In the same year, the CTWU attended the KMT's Fifteenth National Congress and requested access to the government's current policy on privatization.[73] Another example of this strategy was the organizing of a protest march on September 23, 2003. Chang Hsu-chung said: "The CTWU planned to stage a public debate in (the coming) February, at which the presidential candidates would spell out their stance on privatization."[74]

Distributing anti-privatization brochures to legislators: The CTWU attempted to persuade legislators to support its stance through a series of

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[72]Cheng Kuo-tai, "Telecommunications Privatization in Taiwan: A Beautiful Mistake?" (Paper presented at the Development Studies Association Annual Conference on Globalization and Development, University of Strathclyde, Glasgow, United Kingdom, October 10-12, 2003), 30.

[73]Chunghwa Telecom Workers' Union, *Dongya dianxin gonghui luntan* (East Asia Telecom Union Forum) (Kaohsiung, Taiwan, 2004), 34.

[74]Joy Su, "Chunghwa Union Protests Privatization," *Taipei Times*, September 24, 2003, http://www.taipeitimes.com/News/front/archives/2003/09/24/2003069003.

anti-privatization brochures, written by scholars and specialists in privatization policy.[75] Importantly, the CTWU asked its members to explain the drawbacks of the privatization policy to each individual legislator. This strategy was based on making use of the balance of four parties in the Legislative Yuan.

Selecting candidates: The success of this strategy depended on three steps. First, the CTWU nominated a list of candidates, and this action influenced the voting patterns of union members. Second, the CTWU asked members to assist in the election campaigns of anti-privatization candidates. Third, the CTWU tried to get candidates with a pro-labor background selected in order to implement an anti-privatization policy. All of these steps showed that the CTWU—with some 29,000 members and a militant leadership—could not be ignored in Taiwan's electoral process, which requires only 30,000 votes to elect a member of the Legislative Yuan. This strategy was a clear case of successful "industrial democracy."[76] As a result, the Administrative Law on State-Owned Enterprises, enacted on June 30, 2000, contained regulations on industrial democracy. For the first time, three representatives put forward by the CTWU were elected to be directors of CHT.[77] This enabled the CTWU to take part in decision-making over privatization.

A union is an instrument through which the collective voice of its members is expressed. Previous studies analyzing political action by Taiwanese unions neglected the influence of the mass media. In formulating their anti-privatization policies, the unions had to be aware of their image in the media. Otherwise, these policies would just be a series of words.[78] The media is a useful tool for unions to express their policy, as in the case of the CTWU.[79]

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[75]Chang Hsu-chung, "Zhounhua dianxin gonghui chanye minzhu shijian zhi yanjiu" (A study of the practice of the CTWU industrial democracy) (M.A. thesis, Institute of Public Affairs Management, National Sun Yat-sen University, Kaohsuing , Taiwan, 2003), 55.

[76]Ibid.

[77]See note 72 above.

[78]See note 64 above.

[79]Kao Yung-jer, "Zhonghua dianxin gonghui yinying minyinghua xingdong celue zhi fenxi"

On May 28-29, 1999, leaders of the CTWU kept up the pressure on the Legislative Yuan, fighting against the enactment of the CHT share releasing budget and suggesting its cancellation. As a result, the budget was forced out by the KMT. Six years later, Chang Hsu-chung told Laurence Coates in Taipei why the CTWU used strikes against the DPP in CHT:

> The formerly pro-independence DPP is a party that has shot to the right, embracing standard neo-liberal economics, flowing from its victory in the year 2000, which ended fifty years of the rule by the Kuomintang (KMT). In opposition, the DPP, which emerged as a national force in the struggle for democratic rights under the KMT dictatorship, advocated a "welfare state" and had many features of a social-democratic party. They talked about copying the Swedish and German examples.... But in practice, the DPP has continued and, in some respects, speeded up the anti-working class policies of the KMT leaders.[80]

Other observers note that many union leaders in other parts of the world fear an increasing lack of attention on the part of governments to their policy positions, even among their purported political allies in situations where social-democratic political parties are strong.[81]   From this analysis, it is clear that the CTWU made good use of political action to delay or stop the progress of CHT's privatization plans, and its political action relied heavily on media publicity.

Conclusion

Why did the CPSU, CEPU, and CTWU seek to delay the progress of privatization through the use of political action? One of the main reasons was to maintain the public servant status and job security of their members. In Australia, the Howard government amended the Workplace Relations

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(Analysis of the action strategies of the CTWU for privatization) (M.A. thesis, Institute of Labor Studies, National Chung Cheng University, Chiayi, Taiwan, 2003), 113.

[80]Laurence Coates, "Telecom Workers Fight Privatization," April 22, 2005, http://www.socialistworld.net/z_cgi/pf/pf.cgi.

[81]Christian Levesque and Gregor Murray, "Local versus Global: Activating Local Union Power in the Global Economy," *Labor Studies Journal* 27, no. 3 (Fall 2002): 48.

Act after 1996. According to interviewee John (a senior CPSU official, Middle Level), "The previous Act made the CPSU think that Telstra would become a much more anti-worker company and try to reduce wages and conditions. Because our members had pretty good wages and conditions before privatization but new employees in Telstra got much worse conditions." Another interviewee, Mary (a senior CEPU official, Middle Level), describes how the CEPU received queries from members who were afraid that if Telstra were to be fully privatized, their superannuation or long-service leave entitlements might be changed, although these issues are still covered by Australia's commonwealth health and safety legislation and compensation. Mary added that "if Telstra was a fully privatized company, it would not necessarily be any longer covered by those commonwealth laws."

Taiwan had, in relative terms, one of the largest public enterprise sectors in the world prior to the 1980s. The importance of the public sector has decreased gradually with the privatization of state-owned enterprises. The government's privatization policy has altered relations among employees, employers, and public enterprises. Until 2004, the CHT was a government-owned company, and its employees had the status of "public servants" or "quasi-public servants" and were protected by Taiwan's Public Servant Law.

Indeed, the political action strategies used by the CPSU, the CEPU, and the CTWU required membership support besides the decisions of union leaders. During the process of privatization, the CTWU had almost 30,000 members. And in the Telstra Corporation in mid-1996, the CEPU had approximately 35,000 members and the CPSU had 10,000. The success of the political action strategy used by the union leaders depended mainly on whether it created much grass-roots support among both union members and the broader public. Thus, in the cases of Telstra and CHT, union commitment and membership support for political action was effective in delaying or stopping the progress of privatization. Certainly, political activity has to be managed carefully and resourced well. In a restructuring environment, unions must set aside funding for research and campaigns.

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