

**International Master Program in International Studies (IMPIS)**

**College of International Affairs**

**National Chengchi University (NCCU)**

**國際碩士英語碩士學位學程**

**國際事務學院**

**國立政治大學**

**Master Thesis**

**碩士論文**

**Coordinating Migrant Labor Policy between Taipei and Jakarta:  
The Case of Runaway Indonesian Workers**

**台灣與印尼雙邊跨境移工政策：以在台逃逸印尼勞工為例**

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**2015**

## ABSTRACT

As one of the most populous country in the world, Indonesia's predominance is sending its human resources to work abroad. However, many Indonesian overseas workers encounter mistreatment during their work time which leads to several arising problems. On the other hand, Taiwan has become one of the preferred destination countries due to three reasons; higher salary, better living and working conditions, and low mistreatment cases compare to other destination countries. Despite that, Taiwan government still encounters issues in managing foreign workers. Runaway foreign worker is a major issue in Taiwan's labor market and Indonesian workers are accounted as the highest runaway foreign workers in Taiwan.

Previous researches have been conducted to analyze the phenomenon of runaway foreign workers in Taiwan and most of them addressed Taiwanese guest worker policy as the major reason. Research on runaway Indonesian workers in particular is very limited as most of the existing researches focused on Filipinas workers.

Taking into account that foreign workers issue is a multi-faceted phenomenon which involves various actors, this thesis acknowledges the roles and policies from both sending and host states. Therefore this thesis delivers two arguments. First, Taiwan's guest worker policy has put excessive burden on Indonesian workers as Taiwan employs highly restrictive policy towards foreign workers. Second, Indonesia and Taiwan's ineffective cooperation is unable to address the existing runaway Indonesian workers issue as it emphasizes more on scratching the surface than dealing with the root causes. These two variables have inadvertently contributed to the high number of runaway Indonesian workers. In addition, this thesis also delivers a clear labor policy development in Indonesian and Taiwan government to understand each institution's in-take related to labor issues. In order to provide comprehensive findings, this thesis conducts survey with the Indonesian runaway workers in Detention Center, interview with the runaway Indonesian workers in shelters, and focus group studies with Indonesian and Taiwanese experts who are dealing with such phenomenon. The analysis is drawn from the results of survey and interview, and then is connected to the current Indonesian and Taiwanese policies and cooperation in addressing particular issue.

**Keywords: Foreign Workers, Runaway Indonesian Workers, Taiwanese Guest Worker Policy**

## ACKNOWLEDGEMENT

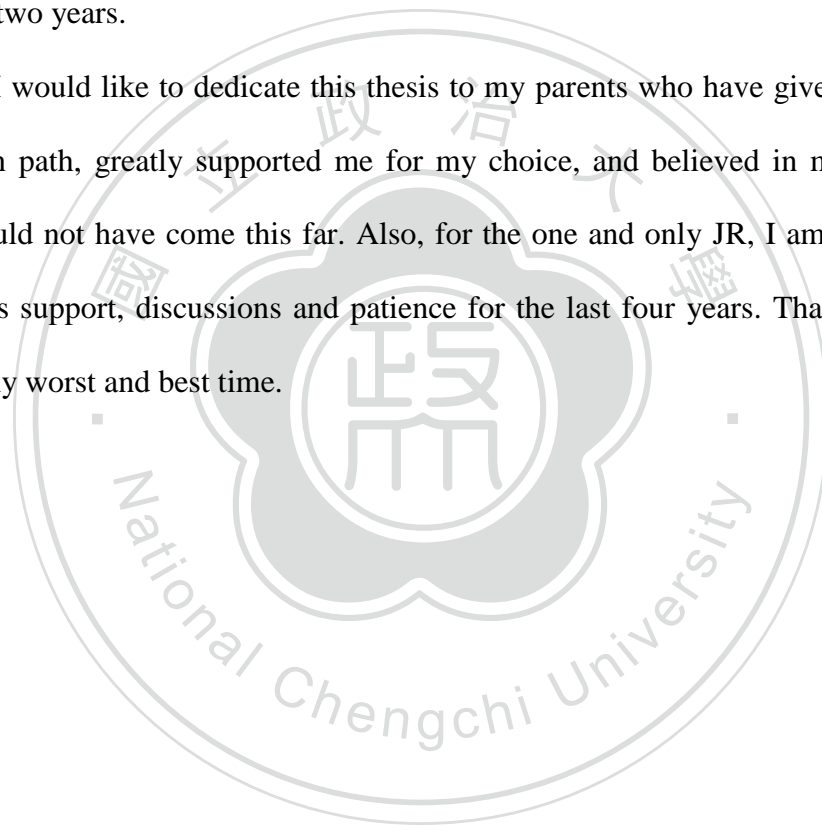
For the past two years as a student of IMPIS, I received invaluable help from teachers, officials and friends. First and foremost, I am indebted with my advisor, Prof. Titus Chen, for his patience and feedbacks. Prof. Chen has not only taught and advised me during this past one year but he also encouraged me to strive for the best. I should also acknowledge with appreciation that Prof. Chen has patiently and thoroughly gone through and revised my thesis and made numerous invaluable corrections and suggestions. I am also thankful for the rest of my committee members, Dr. Wei Mei-chuan and Dr. Yen Yong-ming, for their constructive suggestions. Without their contribution and advices, I could not have come this far. I further benefited greatly from a number of professors and officials in IMPIS, including IMPIS Director, Dr. Wei Bai-ku and IMPIS Program Director, Chafie.

This thesis would not have been able to finish without very precious support from Indonesian Economic and Trade Office (IETO) for providing me valuable data, access to National Immigration Agency's Detention Centers, and shelters. To IETO's Head of Representative, Mr. Arief Fadillah, I am indebted for his continuous support during the past two years. Mr. Isy Karim, IETO's Head of Administration Department, and Mr. Devriel Soegia, IETO's Head of Labor Department, I am thankful for their supports and discussions that help me to finish this thesis. The representatives of National Agency of Placement and Protection of Indonesian Overseas Workers, Mr. Dwi Anto, Mr. Noerman Adhiguna, Mrs. Ramiany Sinaga and Ms. Andini Gathanti, I am greatly thankful for the valuable data and information.

Furthermore, I would like to express my gratitude to my friends who have greatly supported me during my two-year study. Ysi, Daniel, Aisha, Ana Lucia, Oscar, Zena thank you

for keep supporting each other through thick and thin. The Indonesian Ph.D students in NCCU, Rangga, Dita, Pitut and Siska, thank you for our frequent discussions. They have surely enriched this thesis. To my family in Taiwan, the National Chengchi University Indonesian Associations (NCCU-ISA), thank you for making me feel like I am home even when I am miles away from home. To Kerry and Modesta, I truly appreciate for the supports especially during my tough times. And surely, to all of my friends and relatives for their continuous prayers and supports during the past two years.

Lastly, I would like to dedicate this thesis to my parents who have given me freedom to choose my own path, greatly supported me for my choice, and believed in me. Without their blessings, I would not have come this far. Also, for the one and only JR, I am forever thankful for your endless support, discussions and patience for the last four years. Thank you for being there through my worst and best time.



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## ABBREVIATION

1. BLA : Bureau of Labor Affairs
2. BNP2TKI : Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia  
(National Board of Placement and Protection for the Indonesian Overseas  
Workers)
3. CLA : Commission of Labor Affairs
4. IETO : Indonesian Economic and Trade Office
5. JWG : Joint Working Group
6. MOFA : Ministry of Foreign Affairs
7. MOL : Taiwan's Ministry of Labor
8. MOM : Indonesian Ministry of Manpower
9. NIA : National Immigration Agency
10. PPTKIS : Pelaksana Penempatan Tenaga Kerja Indonesia Swasta (Executing  
Agency of Placement for Indonesian Overseas)
11. Satgas TKI : Satuan Tugas Tenaga Kerja Indonesia (Indonesian Workers Joint Task  
Force)
12. TETO : Taipei Economic and Trade Office

# CHAPTER 1: INTRODUCTION

## BACKGROUND

With total population of 253,609,643<sup>1</sup>, Indonesia is one of the most populous countries in the world. This situation leads to scarcity of jobs where the offered job vacancies far below the high numbers of human resources. Therefore, the predominance is to send its people working abroad. Initiated in 1970, this policy has been supported by the government due to the foreign exchange contribution from remittances the workers send to their family in Indonesia. Amongst many working destination countries, Saudi Arabia and Malaysia are top two of the list.

Indonesian workers prefer Saudi Arabia for a wish to fulfill their obligation as a Moslem to be *hajj*<sup>2</sup> during their working period there. Meanwhile, Malaysia is chosen because of the similarities of geographic, cultural, linguistic, and religious aspects as Indonesia. Unfortunately, the high sexual and physical abuse cases to Indonesian workers in Saudi Arabia urge the government to restrict the workers from going to the biggest oil country. By that, Malaysia remains the main destination for Indonesian workers, although many start shifting to East Asia areas with Taiwan as the rising and leading destination country.

According to the data from Taiwanese Council of Labor Affairs (行政院勞工委員會), there were 6,020 Indonesian workers in 1994 which sky-rocketed to 191,127 by the end of 2012. For this, Taiwan is the second destination for Indonesian workers by Indonesia's Ministry of

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<sup>1</sup> Based on CIA World Factbook in July 2014 (<https://www.cia.gov/library/publications/the-world-factbook/geos/id.html> accessed on November 6, 2014 at 22:19)

<sup>2</sup> Hajj is the pilgrimage to Mecca that every Muslim is required to make at least once in his life, provided he has enough money and the health to do so (according to <http://www.collinsdictionary.com/dictionary/english/hajj> accessed on June 13, 2014 at 12:36).

Manpower by having 30,669 workers sent there in that year only. From the numbers, 84% were females who worked in domestic sector as caregivers for elderly or children.<sup>3</sup>

This affirms the fact that Indonesian workers have a good market share in Taiwan. The numbers increase because of several reasons. First, Taiwan offers the most attractive salary compare to other destinations, including for those who work in the domestic sector. For Asia-Pacific region only, the comparison as follows:

**Table 1. Salary Comparison of Indonesian Workers in Asia-Pacific in 2013**

COUNTRY	CURRENCY	SALARY	EQUIVALENT
Singapore	Singapore Dollar	520	USD 416
Hong Kong	Hong Kong Dollar	4,010	USD 517
Taiwan	New Taiwan Dollar	19,047	USD 627

Source: BNP2TKI, “Penempatan dan Perlindungan Tenaga Kerja Indonesia Tahun 2013,” 2013.

This number is even higher compared to wages offered in Malaysia and Saudi Arabia, which are 500 RM (US\$ 153) per month and 800 Riyal (US\$ 213) per month<sup>4</sup> respectively.

Second, Taiwan has better living situation as the government protects the workers’ rights which are guaranteed by the promulgation of Taiwan’s Labor Act.<sup>5</sup> In accordance to the Law, the maximum working hour is eight hours a day or 84 hours every two-week (Article 30), with total overtime hour of no more than 46 hours per month (Article 32). Furthermore, the worker is entitled to one regular day off in every seven days (Article 36) which can only be suspended by the act of God, an accident or unexpected event requires continuances of work under the

<sup>3</sup> Bureau of Employment and Vocational Training, Council of Labor Affairs (行政院勞工委員會). Foreign Workers in Productive Industries and Social Welfare by Nationality. 2012.

<sup>4</sup> Bank Indonesia, “Laporan Survei Nasional Pola Remitansi TKI,” (Jakarta: Direktorat Statistik Ekonomi dan Moneter, 2009), p. v.

<sup>5</sup> Ministry of Labor, Taiwan’s Labor Standard Act, 2013.

condition that the worker receives wages at double the regular rate (Article 40). For that, the employer must report the suspension details and reasons within 24 hours to the local competent authorities. In contrast, many Indonesian female workers in Saudi Arabia are not allowed to leave their employer's house due to their tradition and culture where women must obey the order from men. According to Saudi Arabia's Ministry of Labor, domestic labors must respect not only Saudi society's habits but also traditions, and must not participate in any activity that might harm the family.<sup>6</sup>

Lastly, cases of mistreatment of Indonesian workers in Taiwan are lower compared to any other destination countries, particularly for physical and sexual abuse cases in Saudi Arabia and Malaysia. Ferry Yahya, Head of Indonesia Economic and Trade Office in 2010, acknowledged that there are some sexual and physical abuse cases against Indonesian workers in Taiwan yet it has never been a major issue.<sup>7</sup> Based on the data from National Agency for Placement and Protection of Indonesian Workers Overseas (BNP2TKI), there were 7,520 mistreatment cases of Indonesian workers in Saudi Arabia from 2011 to 2013, 1,720 cases in Malaysia and only 709 cases in Taiwan.<sup>8</sup> However the actual numbers of unreported cases are likely far higher.

A higher salary, better living and working conditions, as well as low sexual and physical abuses in Taiwan create a good working environment for the workers. Nevertheless, Taiwan's Ministry of Labor stated that there were 9,759 Indonesian workers runaway in Taiwan per 2013 which became the highest compared to other nationalities of runaway workers. Table 2 below presents the total number of runaway foreign workers based on their nationalities. The statistics

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<sup>6</sup> "Domestic Labor Obligations", Ministry of Labor Kingdom of Saudi Arabia: 2014, accessed October 6, 2014 at 18.23, <http://www.musaned.gov.sa/en/DomesticWorkers/DomesticWorkerDuties>

<sup>7</sup> "RI Workers in Taiwan Finds Solace on Aug 17", Grraham Duncan: 2007, accessed December 19, 2013 at 16.31, <http://www.thejakartapost.com/news/2007/08/19/ri-workers-taiwan-find-solace-aug17.html>

<sup>8</sup> BNP2TKI, *op cit*, p. 49.

from Taiwan's authority includes completed data of four nationalities only, which are Indonesian, Filipinos, Thais and Vietnamese.

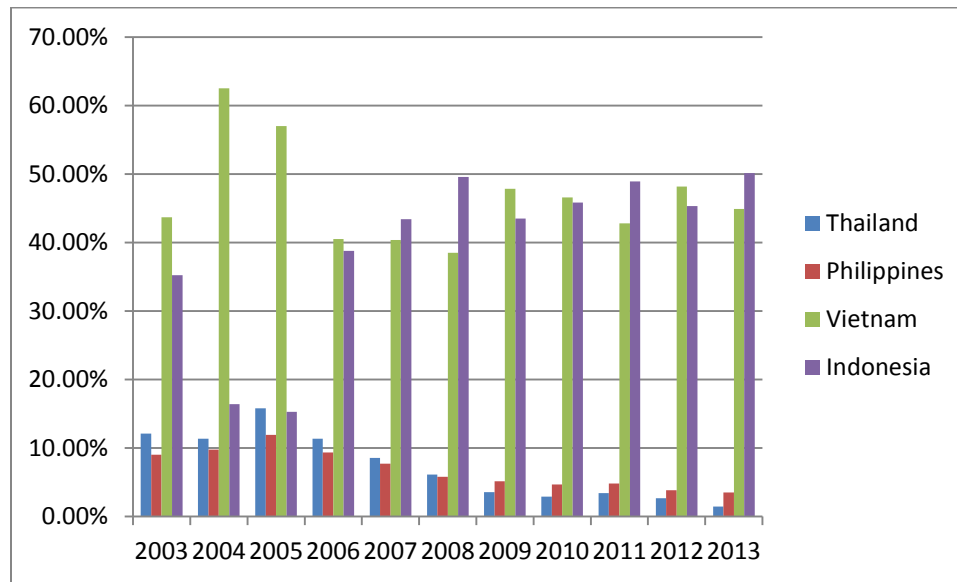
**Table 2. The Numbers of Runaway Foreign Workers in Taiwan Based on Nationality (2003-2013)**

<b>Year</b>	<b>Runaway Indonesian Workers</b>	<b>Runaway Filipinos Workers</b>	<b>Runaway Thais Workers</b>	<b>Runaway Vietnamese Workers</b>
2003	3,411	873	1,171	4,233
2004	1,978	1,177	1,369	7,536
2005	1,973	1,543	2,040	7,363
2006	4,232	1,023	1,239	4,422
2007	4,870	867	959	4,529
2008	5,506	643	680	4,275
2009	4,672	552	381	5,138
2010	6,484	662	411	6,590
2011	7,984	790	561	6,985
2012	7,969	675	468	8,467
2013	9,759	685	289	8,738

Source: Taiwan's Ministry of Labor, "Runaway Status of Foreign Workers in Productive Industries and Social Welfare", 2014, data is compiled by the author.

Figure 1 below presents the respective percentage of runaway workers from Thailand, the Philippines, Vietnam, and Indonesia in the total number of runaway foreign workers in Taiwan from 2003 to 2013. Based on Figure 1, it could be inferred that Vietnamese and Indonesian workers are the top two countries that hold high numbers of runaway foreign workers in Taiwan. Vietnamese workers reached its peak in 2004 but slowly decreasing and never exceeded 50% of total runaway foreign workers in Taiwan in the following years. Nevertheless, the trend of Indonesian workers is the reversed of Vietnamese workers. In 2004, the number of Indonesian runaway workers was considerably low but it kept increasing and reached its peak in 2013 which accounted for 50% of the total runaway foreign workers in Taiwan. When other countries were able to diminish the number of runaway workers, Indonesian workers' number was skyrocketing.

**Figure 1. Runaway Foreign Workers in Taiwan Based on Nationality, 2003-2013**



Source: Taiwan's Ministry of Labor, "Runaway Status of Foreign Workers in Productive Industries and Social Welfare", 2014, data is compiled by the author.

In regard to the elaboration mentioned above, thus this thesis is aimed to answer the following question: **"Why is the number of runaway Indonesian workers in Taiwan high, despite Taiwan's better working and living conditions?"** In order to answer the question, I argue that **Taiwan's guest worker policy and ineffective cooperation between Indonesia and Taiwan have imposed excessive burden on Indonesian guest workers, hence contributing inadvertently to the relatively high numbers of runaway Indonesian workers in Taiwan.**

## **REVIEW OF EXISTING LITERATURE ON THE STUDIES OF GUEST-WORKER SYSTEM IN TAIWAN**

Research on foreign workers in Taiwan, particularly Indonesian workers, has mostly focused on comparative studies of Indonesian and Filipino workers, the role of Taiwanese agency in creating stereotypes of foreign workers in Taiwanese households, and job satisfaction

and mistreatment of guest workers. None of the above topics addresses the issue of Indonesian runaway workers which is actually one of the major concerns for Indonesian workers (besides physical and sexual abuse, illegal working conditions, and even prostitution). This thesis undertakes to analyze the underlying causes of relatively high numbers of runaway Indonesian workers to address the under-explored issue.

The mistreatment inflicted upon Indonesian workers abroad is common knowledge to the Indonesian people. However, when guest workers enjoy better living and working conditions, as offered in Taiwan, there should be no major issues among them as they are satisfied with their work as well as the living environment. However, the matter of runaway foreign workers is one of pressing issues in managing foreign workers in Taiwan. As Indonesian workers have accounted for more than 50% of total runaway foreign workers in Taiwan in 2013, it is highly crucial to find the root causes and appropriate solutions.

Previous scholarly articles have attempted to address the issue of runaway foreign workers. The existing literature focuses on just one of the perspectives, i.e., either the perspective of the sending country, or that of the receiving country. However, the phenomenon of guest workers is a transnational issue which involves more than one country. It is hence imperative to analyze the issue of guest workers from two perspectives: the perspective of the sending country, and that of the receiving country. This research will apply such two-way perspectives to gain a comprehensive understanding of the root causes of runaway workers.

### **State's Role in Managing Foreign Workers and European Guest worker Policy**

As one of the consequences that stemmed from international migration, foreign workers phenomenon has received significant attentions from many scholars, especially in the current

speed of globalization. One of the major issues in globalization studies is the importance role of state according to the Westphalian<sup>9</sup> description. Some scholar, such as Kenichi Ohmae, has argued that state's role is becoming less significant in this borderless world. Therefore the role of government emphasized on educating their people and provides information as accurate as possible so that people and companies may take their own decision – or to borrow his term, “the government needs to let in the light”.<sup>10</sup>

Nevertheless, other scholars argue that the role of government has become even more crucial in this globalization era especially because states respond to the social pressure in their domestic level.<sup>11</sup> Indeed international migration issues may cause some issues in the domestic level of host states such as the depression of local wages, the potential social problems of integration, housing and overcrowding as well as political and security issues.<sup>12</sup> Moreover international migration always involves at least two actors (notably sending states and host states) therefore government needs to regulate migrant labor within national borders, international and macro-regional level.<sup>13</sup> Furthermore, Mittelman argued that “typically immigration policies include a system for recognizing professional qualifications, easing entry for groups such as physicians and engineers, and erecting barriers to the free flow of unskilled labor.”<sup>14</sup>

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<sup>9</sup> The term of Westphalian originated from the Peace of Westphalian which legitimated the right of sovereigns to govern their peoples free of outside interference, whether any such external claim to interfere was based on political, legal or religious principles (referred to <http://www.austlii.edu.au/au/journals/AJLH/2004/9.html> accessed on January 13, 2015 at 11:17).

<sup>10</sup> Kenichi Ohmae, “A Steady Hand,” in *The Borderless World: Power and Strategy in the Interlinked Economy*, (United States: Harper Business, 1990), p. 194-201.

<sup>11</sup> James H. Mittelman, “Globalization and Migration,” in *The Globalization Syndrome: Transformation and Resistance*, (New Jersey: Princeton University Press, 2000), p. 58-73.

<sup>12</sup> Weng-Tat Hui, “The Regional Economic Crisis and Singapore: Implications for Labor Migration”, in *Asian and Pacific Migration Journal*, Vol. 7, Nos. 2-3, 1998, p. 206.

<sup>13</sup> Ibid, James H. Mittelman, op. cit.

<sup>14</sup> Ibid, p. 63.



Indeed the practice of immigration policy is similar with Mittelman's definition. The most-adopted policy is the guest worker framework which has variations application but shared similar essences such as not allowing the migrant workers to stay after the expiration of their contract and that they will always hold the status as temporary workers.<sup>15</sup> This policy was first emerged in European countries as that continent experienced the flow of immigrants and foreign workers since the end of World War II.

According to Klaus J. Bade, there are three phases of migration into Europe which are (1) decolonization, colonial and post-colonial migration, (2) labor migration, and (3) refugee and asylum migration.<sup>16</sup> The first and second phase occurred from 1940s to 1970s along the collapse of European empire and the European economic boom. At that time, mostly western European countries admitted pro-colonial ethnic groups and European descents. The government facilitated the returnees and immigrants with citizenship and linguistic program as part of integration programs for European and colonial immigrants whom received equal rights. In addition, the immigrants also filled the demand of low-wage and unskilled labors and as the demand kept rising the western European governments (notably West Germany and France) opened their door to the immigrants from southern European, post-colonial countries (northern Africa and Asian countries) as well as Turkey. Nevertheless, post-colonial countries' immigrants and Turks received the most disadvantage treatment and benefit as they were seen as outsiders or alien. The last phase occurred from 1950s until 1990s where the refugees and asylum seekers also came from post-colonial countries, eastern European, or former Soviet Union countries.<sup>17</sup>

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<sup>15</sup> Tseng, Yen-fen and Hong-zen Wang, "Governing Migrants Workers at a Distance: Managing the Temporary Status of Guest workers in Taiwan", *International Migration*, Vol. 52 (4), 2011., p. 2.

<sup>16</sup> Klaus J. Bade, "Migration and Migration Policies in the Cold War," in *Migration in European History* (2003), p. 221-230.

<sup>17</sup> *Ibid*, p. 262-265.

Initially, the government's response toward the immigrants was positive. Many companies raised the issue of labor shortage therefore demanding government to admit more foreign workers.<sup>18</sup> Moreover the war brought consequences of large population losses and the obligation of restructuring, particularly in post-colonial countries. In addition, the guest worker advocates in Western Europe succeeded to persuade policy makers to admit foreign workers by arguing that such policy would bring economic and political relief to poverty and dictatorship government in Mediterranean neighbors.

The implementation of guest worker policy in Europe was based on granting one year renewable work permit and rotation system for encouraging the migrant workers to return home.<sup>19</sup> However, most of migrant workers stayed more than one year and the rotation system was not fully implemented. The oil shock bomb in 1973 was the turning point of guest worker policy in western European countries as their economic was decreasing and many companies collapsed creating high unemployment especially for the natives. West Germany was the first country that stopped migrant entry and implemented restrictive entry rules which was followed by other European countries. Their objective was once the migrants workers were no longer recruited, they would return home.<sup>20</sup> Nevertheless, many stayed and demanded the liberalization of policies that included acceptance of migrants' settlement, granting family reunification rights, improvement of living and working conditions, naturalizations and anti-discrimination laws.<sup>21</sup> The Western European governments had no choice but to integrate them otherwise they would have contradicted the democratic principles to which western European countries upheld.<sup>22</sup>

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<sup>18</sup> Piotr Plewa, "The Rise and Fall of Temporary Foreign Worker Policies: Lessons for Poland", in *International Migration*, Vol. 45 (2), 2007, p. 12-15.

<sup>19</sup> *Ibid*, p. 15.

<sup>20</sup> Stephen Castles, "Guest Worker in Europe: A Resurrection?", in *International Migration Review*, Vol. 40 No. 4, 2006, p. 742-744.

<sup>21</sup> *Ibid*, Piotr Plewa, *op. cit.*

<sup>22</sup> *Ibid*.

The integration of migrants to European community surely brought many consequences such as high unemployment rate and discrimination. One of the consequences from the integration policy, according to Stephen Castles, is the creation of ethnically diverse but socially divided European societies.<sup>23</sup> The integrated immigrants are still perceived as outsiders by the native people hence ethnic minorities is created. This raised concerns in several issues such as social exclusion, labor market segmentation, residential segregation and high unemployment. Furthermore, Philip N. Jones argued in Germany, the immigrants are still disadvantaged due to their lack of capabilities in high-skilled jobs.<sup>24</sup> Therefore they could not meet the increasingly demand of skilled and qualified workers. The Turks, as Germany's ethnic minority, has consistently been the primary focus of antagonism and heightened with the growth of militant Islam. In addition, in her research, Barbara Herzog-Punzenberger argued that Turkish second generation are overrepresented in the lowest level and underrepresented in high level of Austrian school types thus makes them incompetent in Austrian labor market.<sup>25</sup> This phenomenon is caused by the little attention to special needs of children with different cultures and languages in Austrian school system. Further she concluded that Austrian school system seems to be more oriented preparing certain part of population rather than providing everyone with the best resources thus leading to ethnic segmentation.

Concerned with the immigrants issues, European countries started to tighten their immigration policy in early 1990s especially with the enlargement of European Union (EU) to include poorer countries such as Bulgaria and Romania. According to Tito Boeri and Herbert Brucker, since 1990, there have been 92 reforms of national migration policies in the EU-15

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<sup>23</sup> Ibid, Stephen Castles, op.cit.

<sup>24</sup> Philip N. Jones, "Immigrants, Germans and National Identity in the New Germany: Some Policy Issues," in *International Journal of Population Geography*, Vol. 2, 1996, p. 119-131.

<sup>25</sup> Barbara Herzog-Punzenberger, "Ethnic Segmentation in School and Labor Market – 40 Years of Legacy Austrian Guest worker Policy," in *International Migration Review*, Vol. 37 No. 4, 2003, p. 1120-1144.

which means more than 5 reforms per year.<sup>26</sup> Most of these reforms included increasing procedural obstacles for visa or citizenship applicants, reducing the duration of work permit, making family reunification more difficult, as well as tightening restrictions in asylum policies and national quotas. The main objective of the policy is making the entry to EU more and more difficult.

### **Lessons Learned from European Guest worker Policy**

The experience of European countries with immigrant issues has provided a lesson for other regions, especially Asian regions, when they faced similar issues, i.e., the need of importing foreign workers yet preventing them from obtaining permanent residence.. With the decrement of oil prices, many Asian migrant workers in the Middle East shifted to places closer to home, especially those newly industrialized economics (NIEs), such as Singapore, Hong Kong, Japan and Taiwan. Indeed during 1960s and 1970s, employment growth in manufacturing of metal products increased significantly; 13% to 27% in Hong Kong, 12% to 28% in Korea, 20% to 55% in Singapore and 20% to 33% in Taiwan.<sup>27</sup>

In addition, the demographic conditions in Asia also played a major role in the migration process within Asia. As noted by Charles Stahl and Reginald Appleyard, some of the countries in Asia are the world's most densely populated countries whereas the others are least densely populated countries due to different range of topological features.<sup>28</sup> Hong Kong and Singapore, for instances, contain 5,700 and 2,600 persons per square kilometer, and Taiwan has 547 persons

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<sup>26</sup> Tito Boeri and Herbert Brucker, "Why are Europeans so tough on migrants?", in *Economic Policy*, October 2005, Great Britain.

<sup>27</sup> Gary S. Fields, "The Migration Transition in Asia", *Asian and Pacific Migration Journal* Vol. 3 (1), 1994, p. 10.

<sup>28</sup> Charles, W. Stahl and Reginald T. Appleyard, "International Manpower Flows in Asia: An Overview", *Asian and Pacific Migration Journal*, Vol. 1 (3-4), 1992, p. 418.

per square kilometer whereas Mongolia only contains 1.3 persons per square kilometer.<sup>29</sup> This varied population density affects the extent and direction of economic migration where the highly-dense population tends to move to a less dense population's country in order to obtain better employment opportunities and earnings. In addition, less dense population country is more prone to experience labor shortage thus accelerates demand of foreign workers.

Moreover, fertility rates in Asia also varied. Pakistan and Laos, for instance, are the leading countries in terms of fertility rate in the region with rates of 6.6%, while Japan's is only 0.6%. Indeed, Japan has an early fertility decline compared to other NIEs countries which has been a major issue for Japan's economy and society. Between 1947 and 1957, Japan's total fertility rate declined by more than 50%, from 4.54 to 2.04 children per woman.<sup>30</sup> Naohiro Ogawa argues that this statistic raises a major concern amongst Japanese businessmen regarding the long-term labor shortage problem as well as the danger of slower technological progress due to significant shrinking number of young people entering into the labor force.<sup>31</sup> The increasing aging society in NIEs thus created a new type of labor demand which was domestic workers to take care of the elderly mainly because of two reasons. First, most of the young people fill the demand of labor forces and second, the increasing number of women working outside the family creates demand of domestic workers in local household which was filled by the migrant workers.

Pursuant to the aforementioned, it is clear that the need to import migrant workers to the NIEs was quite high. Nevertheless, the migrant workers is a new phenomenon faced by the NIEs government therefore the NIEs as the host countries were lack of policies pertaining to the

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<sup>29</sup> Ibid.

<sup>30</sup> Naohiro Ogawa, "Population Aging and Immigration in Japan," *Asian and Pacific Migration Journal* Vol. 20 (2), 2011, p. 135.

<sup>31</sup> Ibid, p. 134.

regulation and control of these workers.<sup>32</sup> However, the NIEs governments also realized that if they did not address the new phenomenon properly, it would lead to social problems in their domestic realm which could be escalated to the international tension. Being familiar with the history and experience of migrant workers in Western Europe, especially the issue of the permanent settlement of ‘temporary’ workers in host countries and the problems associated with the presence of large numbers of immigrants, NIE governments were determined to avoid creating the Asian version of such experiences.<sup>33</sup> Therefore NIE governments employed highly restrictive guest workers policies to make it fairly difficult for foreign workers to settle permanently in host countries.

For instance, Singapore’s law regarding foreign labors has evolved several times since its recognition of foreign labors in early 1970s. From 1965 to 1968, Singapore’s government did not allow the import of unskilled foreign labors but welcomed the highly skilled workers. Although the importation of unskilled labors was permitted from 1968 onwards, the government still imposed highly restrictive policies towards the hiring of unskilled labors.<sup>34</sup> The first restriction was the imposing of levy on every worker that employers brought in.<sup>35</sup> In 1987 the government imposed levy of SG\$ 140 to all foreign labors but then it increased based on the type of worker and industry. For example, the levy for domestic maids was originally SG\$ 120 in 1987 but then increased to be SG\$ 250 in 1991. In the construction and marine-related industries, the levy for skilled worker is SG\$ 250 while for unskilled worker is SG\$ 350. On the other hand the levy on manufacturing industry has a flat rate for all type of workers which is SG\$ 300.<sup>36</sup> However it

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<sup>32</sup> Debrah A. Yaw, Introduction to *Migrant Workers in Pacific Asia*, (London: Frank Cass Publishers, 2002), p. 3-5.

<sup>33</sup> Ibid.

<sup>34</sup> Pang Eng Fong, “Absorbing Temporary Foreign Workers: The Experience of Singapore”, *Asian and Pacific Migration Journal* Vol. 1 (3-4), 1992, p. 496-497.

<sup>35</sup> Ibid, p. 497.

<sup>36</sup> Ibid, p. 499.

could be noted that the levy is much higher on unskilled labors than skilled labors. This reflects the Singapore's government policy which encourages the importation of skilled labors than unskilled labors.

Moreover the government also imposed quota system (配額制度) which only allows the employers to hire foreign labors at certain set ceiling.<sup>37</sup> For instance, the total foreign workers in a firm cannot exceed the ceiling 40% of total workers. In addition the employers must have in-principle approval of work permit granted before the arrival of foreign worker and post a security bond of SG\$ 5,000 for the worker to ensure repatriation of the worker upon the expiry or completion of work permit.<sup>38</sup> However this policy is not imposed to Malaysian laborers who are considered as traditional workers due to the shared heritage line with Singaporeans, which can work immediately once their work permit is approved.<sup>39</sup>

The second restriction is regarding the status of foreign laborers. Unskilled laborers are not allowed to settle permanently in Singapore nor bring their families to Singapore. They are only allowed to work in Singapore for no longer than two years and a marriage with a Singaporean will not grant them automatic residence rights.<sup>40</sup> On the other hand, the skilled laborers with desired cultural and social characteristic are granted permanent residence status fairly quick and even encouraged to take up Singaporean citizenship.<sup>41</sup> In response to illegal immigration, the government imposed a law of three months mandatory jail or a maximum fine SG\$ 5000 for foreign workers who overstayed their visa for more than ninety days.<sup>42</sup>

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<sup>37</sup> Ibid.

<sup>38</sup> Diana Wong, "Transience and Settlement: Singapore's Foreign Labor Policy", *Asian and Pacific Migration Journal*, Vol. 6 (2), 1997, p. 151.

<sup>39</sup> Ibid.

<sup>40</sup> Ibid, Pang Eng Fong, *op. cit*, p. 497.

<sup>41</sup> Ibid, p. 498.

<sup>42</sup> Ibid, p. 500.



Nonetheless all legal foreign laborers in Singapore are entitled to the same protection under the law as citizen workers.<sup>43</sup>

Meanwhile the Japanese government imposed a rather seclusionist immigration policy as initially they were not accepting foreign workers.<sup>44</sup> Despite the high demand from small and medium business enterprises for importing foreign laborers due to labor shortage in Japan, the government still implemented restrictive policies toward unskilled laborers. Based on its policy, all foreign workers in Japan must obtain residency status before being hired by Japanese employers. However, the Japanese government chose the course of admitting skilled foreign laborers by extending its Immigration Act and establishing several new residence statuses for foreign workers with special skills and capabilities to work in Japan.<sup>45</sup> The objectives are to assist Japan in the globalization of the Japanese economy and facilitate the transfers of technology and skills to Japanese people.<sup>46</sup> The Japan's government also imposed a punitive policy of a maximum three years of imprisonment or a maximum fine of two million yen for anyone acting as broker for illegal foreign workers or employing them.<sup>47</sup>

Another residency scheme imposed by Japanese government was the recognition of Japanese descendants as workers by accentuating the 1990 Amendment of the Immigration Control Act which stated that children and grandchildren of Japanese nationals are entitled to “long term resident” status which do not restrict activities to work legally in Japan.<sup>48</sup> This policy was aimed to attract ethnic Japanese-descended from South America, such as Brazil and Peru, to

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<sup>43</sup> Ibid, p. 497.

<sup>44</sup> Toshikazu Nagayama, “Foreign Workers Recruiting Policies in Japan”, *Asian and Pacific Migration Journal*, Vol. 5 (2-3), 1996, p. 241-243.

<sup>45</sup> Hiromasa Mori, “Foreign Migrant Workers in Japan: Trends and Policies”, *Asian and Pacific Migration Journal*, Vol. 4 (2-3), 1995, p. 412-414.

<sup>46</sup> Ibid.

<sup>47</sup> Ibid.

<sup>48</sup> Yoshio Okunishi and Tetsu Sano, “Labor Markets of Japanese-Descended Workers and Foreign Trainees in Japan”, *Asian and Pacific Migration Journal*, Vol. 4 (2-3), 1995, p. 391-393.



fill the unskilled labors shortage particularly small or medium-sized manufacturing companies and agricultural sector.<sup>49</sup> In addition, the Japan's government also allowed Japan's companies to hire foreign workers but with trainee-status. However the government still placed tight controls over the training system such as by determining the types of receiving company and the number of trainees per company.<sup>50</sup> In April 1993, the government introduced the Technical Intern Training Program (TITP) which classified the training system under a formal employment contract.<sup>51</sup> Nevertheless there were some requirements before a trainee could be transferred to technical trainee status which were the trainees had to complete a period of conventional training and successfully pass a skill evaluation examination. In addition, the total period of training must not exceed two years for the conventional training and TITP combined. No extension of the internship, application of residency status or family reunification is allowed.<sup>52</sup> Even though Japan's government is still reluctant to admit the need for and entrance of unskilled foreign labors, all legal foreign laborers in Japan are entitled the same rights to local workers such as health and pension scheme insurance, and rights to join labor union.<sup>53</sup>

Furthermore, Taiwan's government employed restrictive policies regarding the foreign labors issue as well. First, the government is regulating the entry of migrant workers and imposing health check requirement.<sup>54</sup> The application of high-skilled workers or classified as white collars for a work permit are approved on a case-by-case basis depending on the application's qualification and job category whereas for low-skilled workers or blue collars are regulated and adjusted by the Council of Labor Affairs (CLA/行政院勞工委員會) through a quota

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<sup>49</sup> Ibid.

<sup>50</sup> Nana Oishi, "Training or Employment? Japanese Immigration Policy in Dilemma", *Asian and Pacific Migration Journal*, Vol. 4 (2-3), 1995, p. 370.

<sup>51</sup> Ibid, p. 371.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid, Toshikazu Nagayama, *op. cit*, p. 251-253.

<sup>54</sup> Pei-Chia Lan, "Political and Social Geography of Marginal Insiders: Migrant Domestic Workers in Taiwan," *Asian and Pacific Migration Journal*, Vol. 12 (1-2), 2003, p. 104.

system (配額制度) based on the selected industries or occupations. The requirement of health check for foreign workers includes a chest X-ray, a blood test for syphilis, Type-B hepatitis surface-antigen test, a blood test for malaria, stool test for intestinal parasites, HIV-antibody test, urine test for amphetamines and morphine, and psychological evaluation.<sup>55</sup> In addition, the blue collars (unskilled) workers are required to undergo the health exam not only before entering Taiwan but regularly after their arrival.<sup>56</sup>

Secondly, the class basis-differentiated system among the foreign workers affects the duration of work for migrant workers. The low-skilled workers are recruited on a contract basis therefore they are not eligible for permanent residence or citizenship whereas the high-skilled workers are allowed to apply for permanent residence after residing in Taiwan with legal jobs for a minimum of five consecutive years.<sup>57</sup> In addition, the domestic workers can work for only one particular employer during his or her stay in Taiwan unless the care recipient of a migrant workers dies or migrates to another country or if the workers are abused by the employer or transferred illegally to different employer which is not included on the contract.

Lastly the Taiwan government places migrant workers in the custody of employers by imposing a deposit on the employers as an insurance bond and to pay monthly “employment stabilize fee”.<sup>58</sup> In the case of domestic workers, most of their employment is conducted via agencies thus they have to pay the placement fee (仲介費) which is deducted from their wage and equivalent to five to fourteen months of workers’ wage. Furthermore the agencies also suggested that the employer to conduct surveillance on their employees regularly, for instance by holding

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<sup>55</sup> Ibid.

<sup>56</sup> Ibid, Yen-fen Tseng and Hong-zen Wang, *op. cit*, p. 10.

<sup>57</sup> Ibid, Pei-Chia Lan, *op. cit*, p. 106.

<sup>58</sup> Ibid, p. 107.

their necessary documents such as passport or checking the worker's activities during their off-day.

Nonetheless, the implemented policies are less successful in overcoming the issues of immigration in NIEs as well as Japan. For instance, in Japan the substantial and growing number of illegal workers persisted with total of almost 297,000 workers in November 1993, accounted 180% increased since 1990.<sup>59</sup> In Taiwan, the current law is unable to prevent the most outstanding problem faced by Taiwan's government related to migrant workers issue which is the runaway worker. As Joseph S. Lee and Wang Su-wan noted in their article, the number of runaway workers in Taiwan kept increasing every year and 70 percent of these cases could not be found by the police department.<sup>60</sup> The status of illegal workers makes them even more vulnerable than they already are because they are not entitled any rights or protection.

### **Previous Studies of Runaway Foreign Workers in Taiwan**

Indeed many scholars have attempted to answer the enigma of foreign runaway workers issue in Taiwan. In his article, Joseph S. Lee argues that the limited two years contract and high referral fee are the main reason why foreign workers decide to run away from their employers.<sup>61</sup> The high referral fee, which depends on the job and worker's nationality, is paid by the workers themselves and with limited contract of only two years, it is quite difficult for them to save money for their family back home. Therefore some foreign workers decide to run away when their contract comes close to expiry. Without paying the referral fee and receive higher wage in the illegal labor market gives better chance for the foreign workers to save certain amount of

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<sup>59</sup> Ibid, Hiromasa Mori, *op. cit.*, p. 417.

<sup>60</sup> Joseph S. Lee and Su-Wan Wang, "Recruiting and Managing Foreign Workers in Taiwan", *Asian and Pacific Migration Journal*, Vol. 5 (2-3), 1996, p. 293-294.

<sup>61</sup> Joseph S. Lee, "The Role of Low-Skilled Foreign Workers in the Process of Taiwan's Economic Development", in *Migrant Workers in Pacific Asia*, ed. by Debrah A. Yaw, (London: Frank Cass Publishers, 2002), p. 57-59.

money before returning home. Further he argues that the saving accounts policy implemented by Taiwan government in 1998 has been effective in reducing the number of foreign runaway workers.<sup>62</sup> This policy requires the employers to sign contract with their foreign workers for allowing the employers to deduct 30% of the workers' monthly salary for deposit and they are not allowed to withdraw any money until the completion of their contract.

On the other hand, Lan Pei-chia, a distinguished professor from National Taiwan University, has conducted research on Filipino runaway workers. In her article, she argues that the current guest worker policy has created a highly exploitative system of migrant labor management as the migrant workers lack of political and civil liberties.<sup>63</sup> The tight control as well as excessive placement fees (仲介費) implemented by the Taiwan's government contributed to the increasing numbers of runaway foreign workers as illegal migrant workers enjoy some 'free illegality' in the underground economy such as arranging their work-schedule, choosing their own employers and negotiating an equal-footing position with the employers.<sup>64</sup> She suggests that the government needs to establish alternative policy frameworks beyond the conventional arrangement, frameworks that tears down the dichotomy of citizens and aliens.<sup>65</sup> As foreign workers contribute their labor and tax to the host country, they have to be able to enjoy substantial rights and welfares, including the rights to change jobs freely, extend residency, participate in civil politics, as well as have access to public education and social services.

Similar with Lan Pei-chia, Alex Wolfgram also argues in his thesis 'I Have It Maid in Taiwan: Runaway Filipino Domestic Household Workers and Taiwan's Foreign Labor Policy',

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<sup>62</sup> Ibid.

<sup>63</sup> Pei-chia Lan, "Legal Servitude and Free Illegality: Migrant "Guest" Workers in Taiwan", in *Asian Diasporas: New Conceptions, New Frameworks*, ed. by Rhacel Parrenas and Lok Siu, (Stanford: Stanford University Press, 2007), p. 271-272.

<sup>64</sup> Ibid, p. 265-269.

<sup>65</sup> Ibid, p. 271-273.

that Taiwan's current policies create an exploitative system toward Filipino domestic household workers.<sup>66</sup> He emphasized the heavy-burden placement fees (仲介費), ineffective brokers and quota systems (配額制度) as well as mismatched job description as the factors that cause Filipino workers to run away. In addition, he also notes that the Taiwanese working culture affects the likelihood of Filipino workers to run away. He suggests that Taiwan's government should regulate the rights of domestic workers as per International Labor Organization's Convention on Decent Work for Domestic Workers. These rights include normal working hours, overtime compensation, periods of daily and weekly rest and paid annual leave.<sup>67</sup> Further he argues that Taiwanese private brokers should be abolished in order for foreign workers to be able to choose or change their jobs independently. On the other hand, to diminish cultural misunderstandings, he suggests that the history and culture of Southeast Asian countries should be put into Taiwan's curriculum.

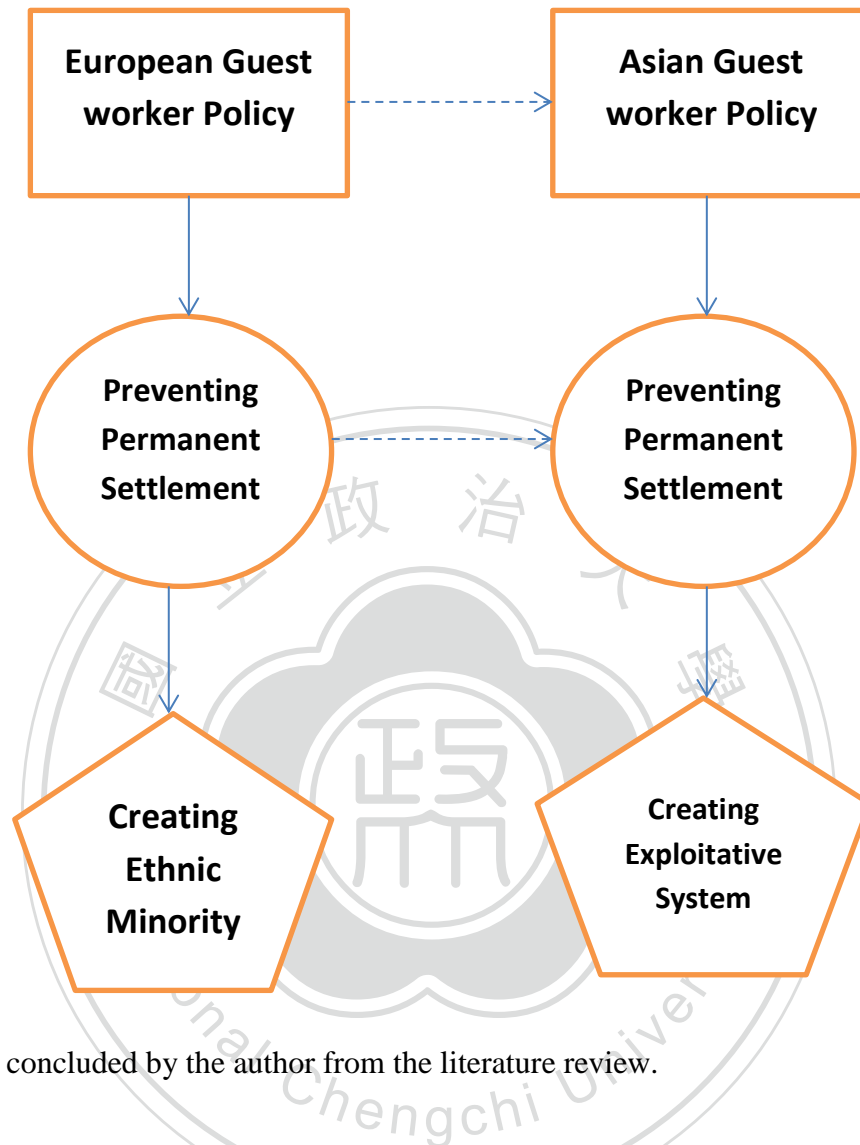
Figure 2 describes the existing reviews. Reflecting from European Guest worker Policy which caused several problems in European society, particularly the creation of ethnic minority that has caused major issues in European society, Asian countries implemented highly restrictive guest worker policy from the beginning they acknowledged the importation of foreign workers legally. The expected aim of this policy is to prevent the permanent settlement of migrant workers which could lead to the creation of ethnic minority. Nevertheless, in reality this policy has created an exploitative system towards migrant workers.

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<sup>66</sup> Alex Wolfram, "I Have It Maid in Taiwan: Runaway Filipino Domestic Household Workers and Taiwan's Foreign Labor Policy" (Master Thesis, National Chengchi University, 2012), p. 25-32.

<sup>67</sup> Ibid, p. 52-57.

**Figure 2. Framework of Literature Review**



Source: concluded by the author from the literature review.

In Taiwan, runaway worker is a major issue in managing migrant workers. Many scholars have attempted to explain the phenomenon of runaway workers and most of them attributed to the Taiwanese guest worker policy as the major cause. Considering that Indonesian runaway workers' number is relatively high in the past few years and none of the scholars conducted a case study research on this particular issue, this is where this thesis will make contribution; by providing an analysis from two perspectives, namely the perspective of the sending country and

that of the receiving country, in dealing with the phenomenon of runaway Indonesian workers in Taiwan.

## RESEARCH DESIGN

### Research Statement

The research statement of this thesis is Taiwan's guest worker policy and ineffective cooperation between Indonesia and Taiwan have imposed excessive burden on Indonesian guest workers, hence contributing inadvertently to the relatively high numbers of runaway Indonesian workers in Taiwan.

**Figure 3. Framework of Research Statement**



Source: concluded by the author.

### Methodology

This thesis intends to describe the Taiwan's guest worker policy as well as lack thereof cooperation mechanisms between Indonesia and Taiwan's government in dealing with Indonesian workers issue, particularly Indonesian runaway workers. In order to analyze and explain the relations between the policies, cooperation and runaway Indonesian workers issue in Taiwan, this thesis will implement three different research methods: document analysis, surveys and in-depth interview.

The first method, document analysis, uses several documents relating to migrant worker and labor's export issues, including United Nation's International Conventions on Human Rights, government's policies and law, memorandum of understanding between Indonesia and Taiwan, statistical data about the state of Indonesian workers in Taiwan, as well as reports from the Indonesian government regarding the labor exportation issue. Due to language barriers, few scholars have examined the Indonesian government's policies on labor export. Document analysis method is meant to get accurate information from government policies or statistical data, by which is expected to understand comprehensively Indonesia's and Taiwan's policies and cooperation regarding the high number of runaway Indonesian workers in Taiwan. Further, this method will analyze whether the implementation of the policies and cooperation is in accordance to the practice in reality.

The second method, the survey, will be conducted to the Indonesian workers who are already captured or kept at the Indonesian workers' detention centers, to describe the phenomenon from the workers' perspectives. The survey analysis will be conducted based on univariate analysis as the examination of the distribution of cases on only one variable at a time<sup>68</sup>. The univariate analysis is in accordance with the purpose of utilizing the survey.

I then plan to interview with government officials from IETO, Taiwan's Bureau of Labor Affairs (BLA/勞工事務局), Taiwan's National Immigration Agency (NIA/中華民國內政部移民署), the Indonesian Workers Task Force in Taiwan (Satuan Tugas Tenaga Kerja Indonesia/Satgas TKI) and the St. Christopher's church in Taipei (as a representation of Taiwanese non-governmental organizations) in dealing with runaway foreign workers to enrich the findings on

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<sup>68</sup> Babbie, Earl, "Elementary Analysis", The Practice of Social Research Eighth Edition, (Chapman University: Wadsworth Publishing Company, 1998), p. 370-375.



this issue. In all, the survey and interview helps to prove the research statement addressed in this thesis.

## **LIMITATIONS AND DEFINITIONS**

This thesis aims to seek the root causes of runaway Indonesian workers in Taiwan and connect them with the Indonesian and Taiwan government policies and cooperation in overcoming such issue. Therefore this thesis does not provide any policy recommendations for both governments. As for the subject, this thesis limits its analysis to Indonesian workers in Taiwan only, hence no comparative studies are conducted to support the findings.

According to Taiwan's Ministry of Labor (中華民國勞動部), runaway workers is defined as foreign workers who become illegal for the following reasons: (i) staying in Taiwan with over-stayed tourist visa, (ii) transferring to different employer without the approval from Ministry of Labor (中華民國勞動部), or (iii) running away from their employer without any notification for more than three consecutive days. However this research will be focusing on the third definition.

## **OUTLINE**

The thesis will be organized into five chapters. The first chapter, Introduction, specifies the background of Indonesian workers, examines the previous scholarly studies on guest worker policy, particularly European and Asian guest worker policy, as well as the previous studies on runaway foreign workers in Taiwan. Furthermore, this chapter describes the research design, limitations and definitions, as well as outline of the thesis.

Chapter two describes the development of labor policy from Indonesia and Taiwan. First, the development of Indonesian labor policies since the colonialism era until after reformation era will be elaborated. Moreover, the development of Taiwanese foreign labor policies since 1990s will be presented as well. Lastly, the conclusion presents the objectives of each policy's development and my analysis.

Chapter three presents the result of survey in National Immigration Agency's Detention Center in Nantou (南投移民署收容所), Hsinchu (新竹移民署收容所) and Yilan (宜蘭移民署收容所) to extract the reason of running away from Indonesian workers directly. Further, the focus group studies with Indonesian and Taiwan government officials are also presented to affirm the findings of the survey. Lastly, I draw conclusion based on the survey and focus group discussion results.

The fourth chapter analyzes the current labor policy of Indonesia and Taiwan. First, the Indonesian labor policy regarding the export of labor will be elaborated, followed by the Taiwanese guest worker policy. The International Conventions on Human Rights which Indonesia and Taiwan have ratified will also be discussed in order to provide extensive explanation based on the international law. In addition, the bilateral cooperation between Indonesia's and Taiwan's government in Joint Working Group's scheme will be analyzed to obtain comprehensive understanding of legal framework in labor issues. The reasons of Indonesian workers to run away from their legal employers obtained from the survey results then will be analyzed using the existing policies and cooperation between Indonesia and Taiwan.

The last chapter, Chapter Five, presents the conclusion of the research as well as the recommendation for future research of runaway foreign workers in Taiwan, particularly Indonesian workers.

## **CHAPTER 2: THE STATE OF FOREIGN WORKERS**

The history of foreign workers is based on different perspectives and aspects, especially between the sending and host states. Each government has its own objectives and evaluations when deciding on policies related to foreign workers. In order to understand the phenomenon more comprehensively, this chapter begins by explaining the history of Indonesian workers, from the colonial era until the present time. The main focus on this chapter is to see the development of policies issued by the Indonesian government in dealing with Indonesian workers. As various governments dominated Indonesian politics, each government surely had its own objective, solutions, and policies in coping with the issues of Indonesian workers.

The second part of this chapter presents the objectives of the Taiwan government in admitting foreign workers into their territory, and how the Taiwan government has been dealing with this phenomenon. By providing descriptions pertaining to foreign workers from both the sending and receiving states, this gives a comprehensive understanding related to the issue of runaway Indonesian workers in Taiwan. Lastly, the third section summarizes previous discussion on the issues related to the foreign workers management system.

### **THE INDONESIAN PERSPECTIVE: TENAGA KERJA INDONESIA**

The history of Indonesian overseas workers (Tenaga Kerja Indonesia in the Bahasa Indonesian language, or TKI) can be traced back up to the era of colonialism by the Dutch and British. After Indonesia gained its independence, it faced several regimes changes, with each regime holding different policies in dealing with Indonesian workers, which was improved upon

after the reformation in 1998. This part focuses on the Indonesian government's objectives, and the development of policies in regards to the welfare and protection of Indonesian workers.

### **The Era of Colonialism (1890-1945)**

During era of colonialism under the Dutch, many Indonesian workers were sent to Suriname and New Caledonia as contract laborers. The transfer of Indonesian workers was meant to replace the African slaves who were freed on July 1, 1863, after the abolition of slavery.

<sup>69</sup> According to the Indonesian government records, the very first Indonesian workers were sent abroad on May 21, 1890, on the Dutch ship *Koningin Emma*, which arrived in Suriname on August 9, 1890. Most of the Indonesian workers were from Java Island, which had the highest population density in Indonesia at the time.

Most Indonesian workers worked in the plantations of foreign private companies. International migration was highly influenced by the interests of colonials or foreign private companies, not the willingness of the workers. Therefore, the type of migration during this era was forced migration, and the migrants tended to move permanently.<sup>70</sup> The working conditions were very poor, with workers lacking any legal protection, specific working hours, or regulations, not to mention low wages. This indicates that such treatment was no different from slavery.

On the other hand, British colonialism also employed Indonesian workers for infrastructure development in the Malaya Peninsula in the 20<sup>th</sup> century. The objective was to

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<sup>69</sup> BNP2TKI, "Sejarah Penempatan TKI Hingga BNP2TKI", <http://www.bnp2tki.go.id/frame/9003/Sejarah-Penempatan-TKI-Hingga-BNP2TKI>, accessed on July 10, 2015 at 14:11.

<sup>70</sup> Utari Romauli Sitorus, "Sejarah Tenaga Kerja Indonesia," in *Hubungan Bilateral Indonesia-Malaysia Studi Analisis: Dampak Ekonomi dan Politik dari Pengiriman Tenaga Kerja Indonesia ke Malaysia Periode 2004-2009*, (Medan: University of North Sumatera, 2013), p.24-25.

support British's interests in achieving its economic expansion by developing its colonies. Nevertheless, the type of Indonesian workers under the British colonizers was slightly different than their Dutch counterpart. Even though their status was still that of contract laborers, they were working in Malaysia voluntarily. During this time, the exchange between Indonesian and Malaysian workers was reciprocal, as many Malaysian workers also worked voluntarily in Indonesia. However, there were still no legal codes or regulations protecting the rights and obligations of Indonesian workers.

### **The Old Order Era (1945-1966)**

After Indonesia gained its independence, the movement of Indonesian workers to Malaysia continued. However, the Old Order regime under President Soekarno did not pay too much attention to migrant workers, as its focus was the early domestic development and the enhancement of nationalism among Indonesian people after the long era of colonialism.

The era of independence marked the emergence of the Indonesian Ministry of Labor. On July 3, 1947, the Ministry of Manpower was established through Government Regulation No. 3/1947 with the main responsibility of managing labor-related issues in Indonesia.<sup>71</sup> However, the Ministry of Labor mainly focused on Indonesian laborers in the domestic context due to their strong influence and involvement in the political realm. There was no historical record related to the policies regulating the welfare or protection of Indonesian overseas workers. Despite the limited scope, the establishment of the Ministry of Labor was in accordance with national interests at that time, which was to strengthen the domestic national development.

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<sup>71</sup> BNP2TKI, op.cit.

## The New Order Era (1966-1998)

The New Order era marked a new beginning for Indonesian workers, as President Soeharto was planning to integrate Indonesia's economy to the world. With abundant oil as natural resources, the New Order regime started to perceive human resources as one of the means to draw foreign investors' through providing cheap labor.<sup>72</sup> Exporting human resources was perceived as one of the solutions to cope with the high unemployment rate on the domestic level. At the same time, the New Order regime also carried a five-year national development project, called *Pembangunan Lima Tahun (Pelita)*.

As the first step, the New Order regime changed the name of the Ministry of Manpower to the Ministry of Manpower and Transmigration, responsible for issuing policies and regulations related to Indonesian workers. The first official program initiated by the Ministry of Labor and Transmigration was called Labor Movement Between Regions (*Angkatan Kerja Antar Daerah/AKAD*) and Labor Movement Between Countries (*Angkatan Kerja Antar Negeri/AKAN*) under Government Regulation No. 4/1970.<sup>73</sup> AKAN was divided into two divisions based on regions, which were the Middle East and the Asia Pacific regions. Based on this policy, the government collaborated with the private sector in arranging the placements and destinations of workers. However, in 1994, AKAN was dissolved and replaced by the Directorate of Indonesian Workers' Service Export.

Concerned about the role of private companies in facilitating the placement of Indonesian workers, the government attempted to regulate them firmly. Through Ministerial Decree No. 129/Men/1983, the Ministry of Manpower and Transmigration regulated business licenses, rights

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<sup>72</sup> Riwanto Tirtosudarmo, *Mencari Indonesia: Demografi Politik Pasca Soeharto*, Jakarta:LIPI Press, 2002, p. 4.

<sup>73</sup> BNP2TKI, *Sejarah Penempatan TKI Hingga BNP2TKI*. (<http://www.bnp2tki.go.id/berita-mainmenu-231/berita-foto-mainmenu-31/4054-sejarah-penempatan-tki-hingga-bnp2tki-.htm> accessed on December 19, 2013 at 16.10)

and obligations, and criminal sanctions for private recruitment companies (*Perusahaan Pengerah Tenaga Kerja Indonesia ke Luar Negeri/PPTKLN*) that did not abide by the regulations.<sup>74</sup> Meanwhile, based on the data from the *Pelita* program, the number of Indonesian overseas workers kept increasing as presented on the table below.

**Table 3. The Number of Indonesian Workers During the New Order Era**

	Pelita I (1969-1972)	Pelita II (1974-1979)	Pelita III (1979-1984)	Pelita IV (1984-1989)	Pelita V (1989-1999)
Number of Indonesian Overseas Workers	5,524	17,042	96,410	292,262	467,130

Source: Priyono Tjiptojerijanto, *Migrasi Internasional: Proses, Sistem, dan Masalah Kebijakan*, in *Globalisasi dan Migrasi Antar Negara* ed. by M. Arif Nasution, (Bandung: Kerjasama Yayasan Adikarya IKAPI with Ford Foundation, 1999), p. 10.

Aware of the high volume of Indonesian overseas workers, the Ministry of Manpower and Transmigration issued “Number of Indonesian Workers” Government Regulation No. 5/1988, which specifically regulated the placement of overseas workers.<sup>75</sup> At the same time, due to the fact that most Indonesian workers were going to Saudi Arabia as their main destination, Ministerial Decree No. 1307 was also issued, which provided technical guidance for the placement of Indonesian workers in Saudi Arabia.<sup>76</sup> Up to this stage, the government intended to establish institutionalized placement arrangements for Indonesian workers. Table 4 below presents the progress of government policies in regulating Indonesian overseas workers.

<sup>74</sup> Wahyu Susilo et.al, *Seluruh Kebijakan (Minus) Perlindungan Buruh Migran Indonesia*, (Jakarta: Migrant CARE, 2013), p. 18.

<sup>75</sup> Utari Romauli Sitorus, “Sejarah Tenaga Kerja Indonesia,” in *Hubungan Bilateral Indonesia-Malaysia* (Studi Analisis: Dampak Ekonomi dan Politik dari Pengiriman Tenaga Kerja Indonesia ke Malaysia Periode 2004-2009, loc. cit, p.28.

<sup>76</sup> Riwanto Tirtosudarmo, “Dimensi Politik Migrasi Internasional: Indonesia dan Negara Tetangga”, ed. by M. Arif Nasution in *Globalisasi dan Migrasi Antar Negara*, (Bandung: Yayasan Adikarya IKAPI and Ford Foundation, 1999), p. 151.



**Table 4. The Progress of Government Policies During the New Order Era (1966-1998)**

No.	Policy	Purpose	Classification
1.	Government Regulation No. 4/1970	Establishment of the Labor Movement Between Regions (Angkatan Kerja Antar Daerah/AKAD) and the Labor Movement Between Countries (Angkatan Kerja Antar Negeri/AKAN) programs.	Placement (Indonesian overseas workers)
2.	Ministerial Decree No. 129/Men/1983	Regulated business licenses, rights and obligations, and criminal sanctions for private recruitment companies (Perusahaan Pengerah Tenaga Kerja Indonesia ke Luar Negeri/PPTKLN).	Placement (private recruitment agency)
3.	Government Regulation No. 5/1988	Specifically regulated the placement of overseas workers.	Placement (Indonesian overseas workers)
4.	Ministerial Decree No. 1307	Provided technical guidance for the placement of Indonesian workers in Saudi Arabia.	Placement (Indonesian overseas workers)

### **The Reformation Era (1998-2004)**

The reformation era marked a new beginning not only for the political realm, but also for labor issues. The government granted freedoms, particularly freedom of speech, to the Indonesian people, including those overseas workers who voiced their concerns regarding welfare with other non-governmental organizations. Accordingly, the government issued two policies in response. The first policy was Ministerial Decree No. 92/1998, which covered the insurance scheme for Indonesian overseas workers.<sup>77</sup> In the following year, the government released Ministerial Decree No. 204/1999, which covered the placement process of Indonesian overseas workers, and replaced the Directorate of Indonesian Workers' Service Export with the Directorate of Placement for Indonesian Overseas Workers (*Penempatan Tenaga Kerja Luar Negeri*/PTKLN). However, Ministerial Decree No. 204/1999 emphasized the process of

<sup>77</sup> Ana Sabhana Azmy, *Negara dan Buruh Migran Perempuan: Menelaah Kebijakan Perlindungan Masa Pemerintahan Susilo Bambang Yudhoyono 2004-2010*, (Jakarta: Yayasan Pustaka Obor Indonesia, 2012), p. 50.



recruitment between private agencies and government bureaucracies, not the protection of Indonesian workers. There was still no mechanism that guaranteed workers' rights. Nonetheless, based on this decree, the workers now had the freedom to form their own labor organization, the Indonesian Labor Union (*Serikat Buruh Seluruh Indonesia/SBSI*), which was highly forbidden during the New Order regime.<sup>78</sup> Moreover, the government also revoked Law No. 25/1997 regarding an exploitative labor mechanism, anti-labor union policies, and the lack of firm protection for Indonesian workers.<sup>79</sup>

Indonesia was also facing an economic crisis in the early reformation era, therefore increasing unemployment. This caused more and more Indonesians to work overseas and find a better salary to increase the quality life for their families. As indicated on Table 3 on the previous page, the number of Indonesian overseas workers nearly doubled from the period of *Pelita IV* to *Pelita V*. Most of these workers were women who worked in the domestic sector as housemaids who encountered several problems, i.e. physical and sexual abuse, due to the lack of protection from the government.

In order to overcome these arising problems, the government issued Presidential Decree No. 109/2001 alongside Ministerial Decree No.053/2001 from the Ministry of Foreign Affairs to establish the Directorate of Protection for Indonesian People (*Direktorat Perlindungan WNI*) and the Indonesia's Legal Entities for Indonesian People (*Badan Hukum Indonesia/BHI*) under the supervision of the Ministry of Foreign Affairs.<sup>80</sup> The main responsibility of these institutions is to provide protections for Indonesian overseas workers, especially women workers in domestic

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<sup>78</sup> Ibid, p. 51.

<sup>79</sup> Ana Sabhana Azmy, *Gus Dur, Keadilan Gender dan Buruh Migran*, (accessed from <http://www.nu.or.id/a,public-m,dinamic-s,detail-ids,50-id,49211-lang,id-c,esai-t,Gus+Dur++Keadilan+Gender++dan+Buruh+Migran-.phpx> on February 14, 2015 at 13:01).

<sup>80</sup> Ana Sabhana Azmy, *Negara dan Buruh Migran Perempuan: Menelaah Kebijakan Perlindungan Masa Pemerintahan Susilo Bambang Yudhoyono 2004-2010*, op.cit., p. 53.

sectors. In the same year, the Directorate of Placement for Indonesian Overseas Workers (PTKLN) was replaced by the Directorate of Placement and Protection for Indonesian Overseas Workers<sup>81</sup> to emphasize its role in the protection of workers even after the placement process was complete. In addition, Regulation No. 150/2000 under the Ministry of Manpower was also issued to regulate the anticipation of work discontinuance of migrant workers by their employers.<sup>82</sup>

In 2004, the government issued Law No. 39/2004 as the central governing instrument of the labor migration system, particularly with the establishment of the Placement and Protection of Indonesian Overseas Workers (*Penempatan dan Perlindungan Tenaga Kerja Indonesia di Luar Negeri*/PPTKILN).<sup>83</sup> The objective of the PPTKILN was to anticipate the increasing number of illegal Indonesian overseas workers, one of the main issues at that time. Based on the same law, the name of the Indonesian private agencies dealing with the placement of Indonesian overseas workers was changed to the Executing Agency of Placement for Indonesian Overseas Workers (*Pelaksana Penempatan Tenaga Kerja Indonesia Swasta*/PPTKIS). Law No. 39/2004 was also the basic law for the establishment of a National Board of Placement and Protection for the Indonesian Overseas Workers (*Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia*/BNP2TKI) in the future. Table 5 below summarizes the progress of government policies during the reformation era.

**Table 5. The Progress of Government Policies During the Reformation Era (1998-2004)**

No.	Policy	Purpose	Classification
1.	Ministerial Decree No. 92/1998 (MOM)	Covered the insurance scheme for Indonesian overseas workers.	Protection (Indonesian overseas workers)
2.	Ministerial Decree	Regulated the placement process of	Placement (Indonesian

<sup>81</sup> BNP2TKI, *Sejarah Penempatan TKI Hingga BNP2TKI*, loc.cit.

<sup>82</sup> Ana Sabhana Azmy, *Gus Dur, Keadilan Gender dan Buruh Migran*, loc.cit.

<sup>83</sup> Ana Sabhana Azmy, *Negara dan Buruh Migran Perempuan: Menelaah Kebijakan Perlindungan Masa Pemerintahan Susilo Bambang Yudhoyono 2004-2010*, op.cit., p. 56.

	No. 204/1999 (MOM)	Indonesian overseas workers and replaced the Directorate of Indonesian Workers' Service Export with the Directorate of Placement for Indonesian Overseas Workers.	overseas workers)
3.	Presidential Decree No. 109/2001 and Ministerial Decree No.053/2001 (MOFA)	The establishment of the Directorate of Protection for Indonesian People ( <i>Direktorat Perlindungan WNI</i> ) and Indonesia's Legal Entities for Indonesian People ( <i>Badan Hukum Indonesia/BHI</i> ) under the Ministry of Foreign Affairs.	Protection (Indonesian overseas workers)
4.	Regulation of Ministry of Manpower No. 150/2000	Regulated severance in anticipation of work discontinuance of migrant workers.	Protection (Indonesian overseas workers)
5.	Law No. 39/2004	The central national labor migration policy, particularly with the establishment of the Placement and Protection of Indonesian Overseas Workers	Placement and Protection (Indonesian overseas workers)

#### After the Reformation Era (2004-present)

The reformation era was marked by the first direct presidential election by the Indonesian people, making Susilo Bambang Yudhoyono as Indonesia's sixth president. During his presidency, many Indonesians, especially those who lived in the rural areas, still desired to work abroad rather than in Indonesia. This decision was triggered by insufficient employment offers compared to Indonesia's massive population. In addition, the government started to acknowledge the remittances that the workers sent back home to their families as one of the foreign exchange earnings.

According to Bank Indonesia, the remittances reached US\$ 5.3 billion in 2005, or 2% of the Indonesian GDP and 15.3% of the foreign exchange.<sup>84</sup> The number reached its peak in 2008

<sup>84</sup> Rita Pawestri Setyaningsih, "Job Satisfaction of Indonesian Workers", (Master thesis, National Chengchi University, 2011), p.29.

with a total of US\$ 6.6 billion, and decreased slightly to US\$ 6.0 billion in 2009, mainly due to the global economic recession.

**Table 6. Indonesian Overseas Workers' Remittances 2005-2009**

Year	Amount (in billion)	% of GDP	% of foreign exchange
2005	US\$ 5.3	2	15.3
2006	US\$ 5.6	2	13.1
2007	US\$ 6.0	1	10.5
2008	US\$ 6.6	1	12.8
2009	US\$ 6.0	1	10.0

Source: compilation from BNP2TKI, Bank Indonesia and Republic of Indonesia's Ministry of Manpower and Transmigration as cited by Rita Pawestri Setyaningsih (Job Satisfaction of Indonesian Workers in Taiwan).

Taking into account the contribution of Indonesian overseas workers in Indonesia's GDP and foreign exchange through remittances, the Indonesian government rewarded them with the title of "heroes of foreign exchange", or "pahlawan devisa". This action was also followed with the effort of the Indonesian government to better regulate Indonesian overseas workers, particularly in providing protection.

In Susilo Bambang Yudhoyono's early administration, Law No. 39/2004 established National Board of Placement and Protection for the Indonesian Overseas Workers (*Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia*/BNP2TKI) based on Presidential Decree No. 81/2006. This institution is responsible for providing a better system for placement and protection for Indonesian workers overseas through coordination with other government institutions, i.e. the Ministry of Education, the Ministry of Health, the Ministry of Manpower and Transmigration.<sup>85</sup> Nevertheless, the establishment of this institution was

<sup>85</sup> BNP2TKI, *Sejarah Penempatan TKI Hingga BNP2TKI*, loc.cit.

considered as creating dual roles without a clear division of tasks between the BNP2TKI, and the Ministry of Manpower and Transmigration.

Moreover, the president also released Presidential Instruction No. 6/2006 to reform the system on the placement and protection of Indonesian overseas workers. This policy consisted of a simplified and decentralized placement service for Indonesian overseas workers, as well as the increment of workers' quality and quantity, while strengthening the role of Indonesia's representative offices in providing protection at the destination countries.<sup>86</sup>

In the following year, Ministerial Decree No. 18/2007 was issued, which emphasized the technical practice of placement and protection for Indonesian overseas workers. However, the pre-placement phase was not specified in this decree. In 2009, the Ministry of Manpower and Transmigration released several regulations regarding Indonesian overseas workers. Ministry's Regulation No. PER 5/MEN/II/2009 was issued to regulate the implementation of pre-placement training for Indonesian overseas workers, which was followed by Ministry's Regulation No. PER 23/MEN/IX/2009, regarding education and training for Indonesian overseas workers. In order to regulate the PPTKIS in dealing with Indonesian overseas workers, the Ministry of Manpower and Transmigration issued Ministry's Regulation No. PER 10/MEN/V/2009 regarding licensing, and the renewal and revocation of licenses for the agencies. However, this regulation was replaced by Ministry of Manpower's Regulation No. 24/2014.

The government then released Ministerial Regulation No. 14/2010, which focused on the separation of responsibilities and duties between the Ministry of Manpower and Transmigration and the BNP2TKI.<sup>87</sup> According to this regulation, the Ministry of Manpower and Transmigration

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<sup>86</sup> Utari Romauli Sitorus, "Sejarah Tenaga Kerja Indonesia," in *Hubungan Bilateral Indonesia-Malaysia Studi Analisis: Dampak Ekonomi dan Politik dari Pengiriman Tenaga Kerja Indonesia ke Malaysia Periode 2004-2009*, loc.cit, p. 30-32.

<sup>87</sup> Ibid.

acted as the regulator and policymaker on issues related to Indonesian workers, whereas the BNP2TKI held responsibilities in operational issues. To strengthen the protection of Indonesian overseas workers, the government released Regulation No. 12/2011 on Labor Attaché Overseas, which placed ministry staff in Indonesian embassies to assist Indonesian workers.

Moreover, in early 2013, the president also adopted Government Regulation No. 3/2013, which set out a protection framework for migrant workers and clarified the role of each government department prior to departure, during overseas placement, and upon return.<sup>88</sup> It was followed by other regulations regarding the practical placement and repatriation of Indonesian overseas workers, i.e. Government Regulation No. 4/2013, which regulated the implementation of Indonesian overseas workers' placement by the government; Ministerial Regulation No. 4/2013, which focused on the extension of work's agreement for individual hiring; and Presidential Regulation No. 45/2013, which addressed the coordination of Indonesian overseas workers' repatriation and clarified the situation regarding repatriation, as well as the actors who carried out the repatriation, procedure, and funding. Table 7 below summaries the policies issued by the government after the reformation era.

**Table 7. The Progress of Government Policies After the Reformation Era (2004-present)**

No.	Policy	Purpose	Classification
1.	Presidential Decree No. 81/2006	Establishment of the National Board of Placement and Protection for the Indonesian Overseas Workers ( <i>Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia</i> /BNP2TKI)	Placement and Protection (Indonesian overseas workers)
2.	Presidential Instruction No. 3/2006	Revised the investment package policy, which eliminated training centers as one of the requirement for establishing PPTKIS.	Placement (PPTKIS)
3.	Presidential Instruction	Established the reform system on the	Placement and

<sup>88</sup> Bassina Farbenlum et.al, *Migrant Workers' Access to Justice at Home: Indonesia*, (New York: Open Society Foundations, 2013), p.39-40.



	No. 6/2006	placement and protection of Indonesian overseas workers.	Protection (Indonesian overseas workers)
4.	Ministerial Decree No. 18/2007	Emphasized the technical practice of placement and protection for Indonesian overseas workers.	Placement and Protection (Indonesian overseas workers)
5.	Ministry's Regulation No. PER 5/MENII/2009	Regulated the implementation of pre-placement training for Indonesian overseas workers.	Placement (Indonesian overseas workers)
6.	Ministry's Regulation No. PER 23/MEN/IX/2009	Emphasized education and training for Indonesian overseas workers in pre-placement.	Placement (Indonesian overseas workers)
7.	Ministry's Regulation No. PER 10/MEN/V/2009	Regulated licensing, renewal, and revocation of PPTKIS licenses.	Placement (PPTKIS)
8.	Ministry's Regulation No. PER 09/MEN/V/2009	Establishment of PPTKIS branch office.	Placement (PPTKIS)
9.	Ministerial Regulation No. 7/2010	Established the new insurance scheme for Indonesian overseas workers.	Protection (Indonesian overseas workers)
10.	Ministerial Regulation No. 14/2010	The separation of responsibilities and duties between the Ministry of Manpower and Transmigration, and the BNP2TKI.	Placement and protection (government's institution)
11.	Presidential Decree No. 64/2011	Regulated medical and psychological exams for Indonesian migrant worker candidates.	Placement (Indonesian overseas workers)
12.	Regulation No. 12/2011	Labor Attaché Overseas which places ministry staff in Indonesian embassies to assist Indonesian workers.	Protection (government's institution)
13.	Government Regulation No. 3/2013	Protection of Indonesian overseas workers abroad, which sets a protection framework for migrant workers, clarifying the role of each government department prior to departure, during overseas placement, and upon return.	Protection (Indonesian overseas workers and government's institution)
14.	Government Regulation No. 4/2013	Regulated the implementation of Indonesian overseas workers' placement by the government	Placement (Indonesian overseas workers)
15.	Ministerial Regulation No. 4/2013	Regulated the extension of worker's agreement for individual hiring	Protection (Indonesian overseas workers)
16.	Presidential Regulation No. 45/2013	Regulated the coordination of repatriation for Indonesian overseas workers	Protection (Indonesian overseas workers)

## THE TAIWANESE PERSPECTIVE: THE NEEDS OF GUEST WORKERS

Even though there have been many foreign workers working in Taiwan since the 1980's, the Taiwan government admitted their presence legally in 1992 by issuing the Employment Service Act. This policy had one aim: only allowing foreign workers, especially low-skilled laborers, to work in Taiwan for a certain period, strictly prohibiting them from residing in Taiwan permanently. This part focuses on how the Taiwan government perceives foreign workers in their labor market and implements policies related to this phenomenon.

### Pre-Employment Service Act (1980s-1992)

The government of Republic of China in Taiwan imposed the martial law in 1949, which prohibited the formation of any organized groups, including labor unions.<sup>89</sup> The government feared that the establishment of such organizations would lead to political subversion. This law was revoked in 1987, and since then the government in Taiwan has improved labor-related policies for both local and foreign workers.

Foreign workers in Taiwan existed as early as the 1980's. However, most of them were staying in Taiwan with expired tourist visa, and thus their status was illegal. The Taiwan government did not do much about this, as most of the foreign workers worked in small companies that made it difficult for the government to locate them.<sup>90</sup> Moreover, Taiwanese industries welcomed foreign workers as the industries experienced labor shortage due to two reasons. First, many local workers shifted to more technical and high-skilled positions in the company, resulting in fewer people willing to take the dirty, dangerous, and demanding work,

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<sup>89</sup> Jane Kaufman Winn, "There Are No Strikes in Taiwan: An Analysis of Labor Law in the Republic of China on Taiwan", *Maryland Journal of International Law*, Vol. 12 (1), 1987, p. 40.

<sup>90</sup> Jonathan Moore, "Grist to the Mill: Taiwan Does Little to Stem Tide of Alien Workers", *Far Eastern Economic Review*, April 5, 1990, p. 20.



i.e. working in construction sites or factories. Secondly, Taiwan was in the midst of several massive infrastructure projects pursuant to the Six-Year National Development Plan (國家建設六年計畫), which required 50,000 to 60,000 workers.<sup>91</sup> In addition, the wages of foreign workers were relatively lower than those of local.

In order to address labor issues, including whether or not foreign workers should be regulated, the Taiwan government established the Council of Labor Affairs (CLA/行政院勞工委員會) on August 1, 1987, as the highest government authority on labor affairs. Apart from enforcing the Labor Standard Act (勞動基準法), and inspecting and monitoring working conditions as its main responsibility, the CLA was also responsible for proposing administrative measures or legislation defining the rights and obligations of employers and foreign workers.<sup>92</sup> However, the government was still reluctant to legalize the recruitment of foreign workers, because deportation was not feasible due to increasing foreign workers in Taiwan, and such policy was unpopular among local businesses.<sup>93</sup> At the same time, if the government legalized foreign workers, they feared overburdening the social welfare system and harmed the ethnic homogeneity.<sup>94</sup>

Due to pressure from the private sector to realize the Six-Year National Development (國家建設六年計畫), the Taiwan government started to allow foreign workers for certain jobs, particularly for construction jobs and under the condition that foreign workers had to leave

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<sup>91</sup> Dorothy S. Liu, "The 1992 Employment Service Act and The Influx of Foreign Workers in Taiwan", *Pacific Rim Law & Policy Journal*, Vol. 5 No. 3, 1996, p. 604-606.

<sup>92</sup> Ibid, p. 606-607.

<sup>93</sup> Jonathan Moore, "Grist to the Mill: Taiwan Does Little to Stem Tide of Alien Workers", op.cit.

<sup>94</sup> This concern was expressed by then-President of Council of Labor Affairs, Chao Sho-buo, in his public speech "On the Problem of Foreign Labor" in 1992 as cited from Pei-chia Lan, "Political and Social Geography of Marginal Insiders: Migrant Domestic Workers in Taiwan," op.cit., p. 103. He mentioned the race problem that the United States encountered was initially from allowing the foreign workers.

Taiwan as soon as the projects were completed.<sup>95</sup> Regardless, this did not change Taiwan government policy relating to foreign workers, as the government still prohibited the employment of foreign workers for manual labor. Thus, most of foreign workers remained illegal and vulnerable, as there was no legal binding that protected them. In addition, there was no legal penalty for employers who hired foreign workers, and the Taiwan government seemed reluctant to deport them due to labor shortages. Therefore, more foreign workers came to Taiwan and became victims of exploitation, low wages, and poor working conditions.<sup>96</sup>

### **Enactment of Employment Service Act (1992-1995)**

Even though there were no laws that regulated foreign workers, the number of foreign workers in Taiwan kept increasing. By 1990, the Taiwan government estimated that there were 44,000 illegal foreigners in Taiwan<sup>97</sup> and most of them were in poor working conditions. After constant pressure from local businesses due to labor shortages, the Taiwan government decided to remove the ban on foreign workers, allowing for the employment of foreign workers legally. However, the focus of the government was only to alleviate labor shortages while avoiding the social problems that might occur, and so the change in policy was implemented gradually.

The first step the Taiwan government took was on October 12, 1991, by allowing the employment of foreign workers in six industries: construction; textiles; basic metal industries; fabricated metal; machinery and equipment; and electrical, electronic machinery and repairing. A maximum quota was set at 15,000 workers.<sup>98</sup> Thereafter, on May 8, 1992, the Taiwan

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<sup>95</sup> Dorothy S. Liu, "The 1992 Employment Service Act and The Influx of Foreign Workers in Taiwan", Ibid, op.cit. p. 607-608.

<sup>96</sup> Ibid.

<sup>97</sup> Bangkok Post, Taiwan: Labor Shortage Boon for Thai Workers, June 14, 1990 as cited on Dorothy S. Liu, "The 1992 Employment Service Act and The Influx of Foreign Workers in Taiwan", Ibid, p. 605-606.

<sup>98</sup> Joseph S. Lee, "The Role of Low-Skilled Foreign Workers in the Process of Taiwan's Economic Development", in *Migrant Workers in Pacific Asia*, ed. by Debrah A. Yaw, (London: Frank Cass Publishers, 2002), p. 43-50.

government passed the Employment Service Act (就業服務法), the first major law in legalizing the employment of foreign workers, including blue-collar workers. The main objective was “to promote the employment of nationals in the hope of strengthening social and economic development”<sup>99</sup>, but this law also imposed sanctions on employers who hired illegal foreign workers.<sup>100</sup> According to this law, foreign workers can work legally in Taiwan for the following jobs: household maids, major government construction employees, crewmen, mental institution staffs, nurses, employees of labor-intensive industries, or important export industries.<sup>101</sup> Employers also had to pay employment security fees (就業安定費) to the Taiwan government for handling the employment and administration of foreign workers.<sup>102</sup>

In accordance with its main objective, the Employment Service Act (就業服務法) has severely restricted regulations for blue-collar workers.<sup>103</sup> For instance, they can be hired with the approval of the CLA, but the employer must first try to hire local workers. Moreover, they are hired based on a contract basis, with terms at a maximum of two years, which may be extended for another year with the approval of the CLA. They are also not allowed to change employers, get married or pregnant during their stay in Taiwan. If they did, they would be deported immediately. They are also prohibited from applying for permanent residence status or from bringing their spouses and children to Taiwan.

The CLA gradually specified when and which industry foreign workers might apply for with restrictive requirements.<sup>104</sup> On August 17, 1992, the Taiwan government approved for the

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<sup>99</sup> Ministry of Labor, Employment Service Act, 1992.

<sup>100</sup> Dorothy S. Liu, “The 1992 Employment Service Act and The Influx of Foreign Workers in Taiwan”, *Ibid*, op.cit. p. 615-616.

<sup>101</sup> Joseph S. Lee, “The Role of Low-Skilled Foreign Workers in the Process of Taiwan’s Economic Development”, *Ibid*, op.cit.

<sup>102</sup> Taiwan’s Ministry of Labor, Employment Service Act 1992 as amended in 2013.

<sup>103</sup> Dorothy S. Liu, “The 1992 Employment Service Act and The Influx of Foreign Workers in Taiwan”, *Ibid*, op.cit

<sup>104</sup> Joseph S. Lee, “The Role of Low-Skilled Foreign Workers in the Process of Taiwan’s Economic Development”, *Ibid*, op.cit.

first time the employment of foreign workers as household maids with a cap of 7,999 persons. The household maids should be working in Taiwanese families and hold a professional license. Nevertheless, before being allowed to hire foreign workers, employers had to advertise the vacancy on local newspapers for three days. Both spouses in the family had to prove that they worked fulltime, had children under 12 years-old, or lived with parents or senior relatives who were older than 70 years-old.

Foreign workers were allowed to work as caretakers at nursing homes and crewmen on August 20, 1992. As for crewmen, apart from advertising the vacancy on local newspapers for three days, the ships should have a tonnage of more than 20 tons, and foreign crewmen must not account for more than a third of the total crew.

On September 12, 1992, the Taiwan government allowed local industries to apply for a second round of the employment of foreign workers. However, the provision was rather restrictive; the industry must have at least ten employees; the share of foreign workers must not exceed 30% of all workforce; foreign workers were not allowed to assume administrative or managerial positions; and the employer had to file a request to the industry association; and advertised the vacancy on local newspaper. The cap that the Taiwan government imposed was 32,000 foreign workers.

The third round of foreign workers employment was announced on January 12, 1993, with the inclusion of seventy-three industries. The requirements remained the same, with the addition that employers who already applied more than fifty foreign workers in the first round and local businesses with high layoff according to the CLA were not allowed to re-apply. The cap for the third round was 9,000 foreign workers. On May 23, 1993, the fourth round continued with the inclusion of six additional industries, including chinaware, without a cap imposed on the

number of foreign workers. The fifth round was announced on August 17, 1993, with an additional seventy-three industries. No cap was imposed on this round. The last round was announced on September 14, 1994, with a cap of 5,000 foreign workers, which was then increased to 10,000 foreign workers. The CLA continued to allow the employment of foreign workers on October 8, 1994, and May 1, 1995, for construction projects and low-skilled labor. Table 8 summarizes the aforementioned elaboration of the CLA's policy.

Pursuant to the aforementioned explanation, it showed that the intention of the Taiwan government in legalizing foreign workers was only to alleviate labor shortages and avoid social burdens that may occur, particularly the settlement of foreign workers in Taiwanese society. Therefore, the Taiwan government set stringent requirements, such as advertising the vacancy, imposing importation cap, and opening job vacancies with CLA's approval, in order to control the influx of foreign workers. However, many foreign workers still came to work in Taiwan, and their scopes of works expanded in the coming years.

#### **Post-Employment of Service Act (1995-now)**

Even though the initial objective of the Taiwan government in granting foreign workers work in Taiwan was to alleviate labor shortages, the role of foreign workers soon shifted to support high-value industries.<sup>105</sup> After 1995, Taiwan's advanced economy emphasized electrical and electronic machinery as its major industries. Accordingly, the share of foreign workers in that particular industry increased annually, followed by a decrease of foreign workers in labor-intensive industries such as leather, lumber, and bamboo industries, with the exception of the textile industry, as presented on Table 9.

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<sup>105</sup> Ibid.

**Table 8. The Process of Foreign Workers Admission in Taiwan's Labor Force**

No.	Effective Date	Major Policies	Requirements	Max. Quota (persons)
1.	12 Oct 1991	First Round (6 industries): construction; textiles; basic metal industries; fabricated metal; machinery & equipment; electrical & electronic machinery & repairing		15,000
2.	8 May 1992	Employment Service Act	<ol style="list-style-type: none"> <li>1. Identify legal foreign workers: household maids; government major construction projects; crewmen; mental institutes; nurses; high linkage industries or important export industries</li> <li>2. Stay period: up to 2 years</li> <li>3. Employers pay employment security fees</li> </ol>	
3.	17 Aug 1992	Household Maids	<ol style="list-style-type: none"> <li>1. Unit: family</li> <li>2. Advertise on local newspaper for three days</li> <li>3. Have trained license</li> <li>4. Both spouses work and children under 12 years old or living with parents, elderly person, relatives (70 years +)</li> </ol>	8,000
4.	20 Aug 1992	Guardian	Public or private mental institution	No limitation
		Crewman	<ol style="list-style-type: none"> <li>1. Ships of more than 20 tons</li> <li>2. Foreign crewmen's share less than 1/3 of regular workforce</li> <li>3. Advertise in local newspaper for three days</li> </ol>	No limitation
5.	26 Sep 1992	Second Round (68 industries): important export industries, high linkage industries, 3D industries	<ol style="list-style-type: none"> <li>1. Size of establishment at least 10 employees</li> <li>2. The general share of foreign workers to be 30% of total employees</li> <li>3. With request foreign workers file at industry association</li> <li>4. Foreign workers not allowed to engage in administration or management</li> <li>5. Advertise in local newspaper for three days</li> </ol>	32,000
6.	12 Jan 1993	Third round (73 industries): shipment, chemical products, umbrella industry, food processing industry, chemicals	<ol style="list-style-type: none"> <li>1. Those who imposed more than 50 foreign workers in the first round are not allowed to reapply for the second round</li> <li>2. Firms with high layoff are not allowed to reapply</li> </ol>	9,000
7.	23 May 1993	Fourth round (6 industries): chinaware, etc.	Without any quota on the number if foreign workers	No limitation
8.	17 Aug 1993	Fifth round (73 industries): new plants or extended equipment firms	<ol style="list-style-type: none"> <li>1. New plants: 30% of the workforce</li> <li>2. Government major construction projects</li> </ol>	No limitation
10.	14 Sep 1993	Sixth round: export processing zones, science-based industrial park, and 38 industries		<ol style="list-style-type: none"> <li>1. 5,000</li> <li>2. 10,000</li> </ol>
11.	8 Oct 1994	Major investment-manufacturing, school, institution, and major investment-construction	<ol style="list-style-type: none"> <li>1. Major investment refers to investment more than NT\$ 200,000,000</li> <li>2. Investment more than NT\$ 150,000,000</li> </ol>	No limitation
12.	1 May 1995	7 Industries		4,825

Source: Monthly Labor Statistics, January 1999 Council of Labor Affairs as cited on Joseph S. Lee (The Role of Low-Skilled Foreign Workers in the Process of Taiwan's Economic Development)

From Table 9, it may be inferred that in 1992 there were only 2.92% of foreign workers in the industry of electrical and electronic machinery, but then the share increased significantly. In June 2000, 53,296 foreign employees worked for the electrical and electronic industries, constituting 17.22% of the entire workforce in that industrial sector. The same trend may also be found in the industries of basic metal and metal productions where both the number and percentage of foreign workers increased significantly. On the other hand, in 1992 there were 961 foreign workers in the industry of wood and bamboo products, accounting for 1.88% of total workforce in those particular industries. Both the number and percentage of foreign workers in those particular industries declined annually, accounting for only 0.54% of total workforce in those particular industries by June 2000. The cause for such a phenomenon, I argue, was due to the considerably low wages provided by labor-intensive industries for foreign workers. In addition, foreign workers were more flexible in managing working hours than local workers, showing a willingness to work overtime to save as much money as possible.

In coping with the high demand of foreign workers, the CLA extended the contract terms for foreign workers in June 1997, lengthening it from two years to three years.<sup>106</sup> In addition, the government also expanded the number of countries they received foreign workers from, including Vietnam, Fiji, Panama, Honduras, El Salvador, and other countries. However, the placement fees (仲介費) were still imposed on foreign workers, and the quota of foreign workers was not increased. This was due to the Taiwan government's concern about the issue of local unemployment, particularly amongst the aborigines, which was blamed on foreign workers.<sup>107</sup> At the end of 1997, a new limitation for individual enterprises was announced, where the

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<sup>106</sup> Information Center for Labor Education (ICLE) for the East Asia Exchange Programme, *1997 Country Profile: Taiwan, Hong Kong: Asia-Pacific Workers' Solidarity Links*, September 1997 (accessed from <http://home.pacific.net.hk/~amc/papers/AMY98TW.html> on March, 3<sup>rd</sup>, 2015 at 14:51).

<sup>107</sup> Ibid.



employment of foreign workers in construction could not exceed 65% of the entire workforce, whereas the share of foreign workers may not exceed 30% of all workers in manufacturing industries.<sup>108</sup>

However, Taiwan's economic development also changed the landscape of local labor market. As more Taiwanese household members, including women, entered into labor market, they left a void in housekeeping and caregiving. Due to Confucian influence in the Taiwanese culture, family members shouldered major responsibility of long-term caregiving.<sup>109</sup> Adult children, especially women, perform their filial piety by taking care of their parents as part of their obligations. Based on a survey conducted by the Ministry of Interior in 1990, 65.7% of elderly people in Taiwan live with their adult children, and the majority of them preferred to live with or near their children.<sup>110</sup> This is where foreign workers developed an important role when there is no one occupying such role in Taiwanese families. By the end of 2000, there were 106,331 foreign workers in the social welfare industry, working as housemaids or nursing workers. A decade later, the number increased to 186,108. This shows that the demand for foreign workers as caretakers in Taiwan is increasing significantly, as presented on Table 10.

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<sup>108</sup> Charles Tze-li Kang and Kuo Jen Su, "The Human Resource Development and Management of Foreign Laborers in Taiwan", National Changhua University of Education, 1999, p. 4-5.

<sup>109</sup> Helen P. Bartlett and Shwu-Chong Wu, "Ageing and Aged Care in Taiwan", in *Ageing in the Asia-Pacific Region* ed, by David R. Phillips, New York: Routledge, 2000, p. 214.

<sup>110</sup> Ibid.



**Table 9. The Share of Foreign Workers in Manufacturing**

Sector	1992		1995		1997		1998		1999		June 2000	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Apparel	635	1.24	3,331	2.02	3,577	1.46	3,754	1.47	3,023	1.08	3,222	1.04
Textiles	4,369	8.54	23,435	14.21	32,956	13.41	32,920	12.88	33,113	11.87	34,885	11.27
Leather and fur product	158	0.31	2,639	1.60	2,663	1.08	2,571	1.01	2,189	0.78	2,194	0.71
Wood & bamboo products	961	1.88	2,024	1.23	2,233	0.91	1,983	0.78	1,724	0.62	1,657	0.54
Basic Metal Products	1,704	3.33	15,363	9.31	14,885	6.06	14,587	5.71	12,128	4.35	10,975	3.55
Metal Products	3,520	6.88	14,758	8.95	18,994	7.73	18,747	7.33	17,304	6.20	17,155	5.54
Electrical & Electronic Machinery	1,492	2.92	21,230	12.87	35,825	14.58	41,907	16.40	42,105	15.10	53,296	17.22

Source: Survey of Utilization and Administration of Foreign Workers in Taiwan, Council of Labor Affairs, Various Years as cited on Joseph S. Lee (The Role of Low-Skilled Foreign Workers in the Process of Taiwan's Economic Development).

Thus, economic development in the high-value industries, along with the increasing demand for household caretakers in the Taiwanese society, contributed to the increasing demand of foreign workers in Taiwan to fill the void that local laborers have left off.

**Table 10. Total Number of Foreign Workers in Social Welfare Industry**

Year	Nursing Workers	House-maids	Total
2000	98,508	7,923	106,331
2001	103,780	9,154	112,934
2002	113,755	6,956	120,711
2003	115,724	4,874	120,598
2004	128,223	2,844	131,067
2005	141,752	2,263	144,015
2006	151,391	2,394	153,785
2007	159,702	2,526	162,228
2008	165,898	2,529	168,427
2009	172,647	2,296	174,943
2010	183,826	2,282	186,108
2011	195,726	2,128	197,854
2012	200,530	2,164	202,694
2013	208,081	2,134	210,215

Source: Ministry of Labor, Foreign Workers in Productive Industries and Social Welfare by Industry, 2014. (<http://statdb.mol.gov.tw/html/mon/c12020.pdf>)

## CHAPTER'S CONCLUSION

The history of Indonesian overseas workers can be traced back up to the colonial era. Both the Dutch and British administrations sent Indonesian workers to their colonial areas in order to fulfill the labor shortage due to the abolishment of slavery in Africa. However, the Indonesian workers received similar treatment as the slaves did, as there were no laws regulating their working conditions or guaranteeing their rights. Many workers worked more than regular

working hours with poor working conditions and low wages. In addition, the movement of Indonesian workers was considered as forced migration because the colonial administrators decided the destinations and types of work for Indonesian workers.

After Indonesia gained its independence, the Indonesian government started to consider the roles of Indonesian workers. Their main objective was to conduct domestic development and enhance nationalism among Indonesian people after being colonized for 3.5 centuries. They perceived the Indonesian workers as one of the influential actors of the initial Indonesian independence movement. The government then established the Ministry of Manpower in 1947 to facilitate them. There were still no specific laws regulating the movement or protection of Indonesian workers, mainly because the concern of the government at that time was domestic development. The establishment of a specific institution to deal with Indonesian workers reflected the importance of their role in the Indonesian society, particularly in the early development era. This institution also became the pioneer of the Indonesian government's institution in managing Indonesian overseas workers in the future.

During the New Order regime, progress relating to the policy in managing Indonesian workers was made. Pursuant to the economic development, the Indonesian government started to manage the placement of Indonesian workers. Various regulations were issued in order to create institutionalized placement arrangements for Indonesian overseas workers. However, no regulations or laws were issued in order to guarantee the rights of Indonesian overseas workers. Indonesian overseas workers were perceived as an instrument to assist Indonesia's economic growth, rather than human resources that needed protection. However, the issuance of policies to have institutionalized placement arrangements for Indonesian overseas workers was considered as a progress in Indonesia's migrant workers' policy.

The breakthrough of migrant workers' policy was during the reformation era. Along with the reformation of the whole political spectrum, the Indonesian government also improved conditions in other aspects, including for Indonesian overseas workers. Where the previous regime forbade the liberal rights of Indonesian workers, i.e. to form or join labor unions, the reformation administration granted them the ability to do so. In addition, many abusive cases experienced by the Indonesian overseas workers had been highlighted by Indonesian civil society organizations to push the government to provide firm and clear protection for them. Starting with the issuance of insurance policies, the government then released several other policies related to the protection, e.g. the establishment of institutions and mechanisms to anticipate the work discontinuance of migrant workers. The government also attempted to regulate better placement for migrant workers. This was progressive development as the government implemented its protection function based on legal regulations. The issuance of Law No. 39/2004, which was the pioneer of every migrant workers-related policies in the future, reflected that the government was taking the matters of Indonesian overseas workers more seriously than before.

The progressive development to improve the placement and protection for Indonesian overseas workers was also carried out after the reformation era. During the administration of Susilo Bambang Yudhoyono, Law No. 39/2004 was implemented through the issuance of several regulations and decrees in order to complement the aforementioned law. The establishment of the National Agency of Placement and Protection for Indonesian Overseas Workers as the executor of Ministry Manpower and Transmigration's policies as well as the supervisor to guarantee the rights and welfare of workers, reflected that the new government highly emphasized the protection of Indonesian overseas workers. In addition, the government also attempted to improve the workers' quality by issuing several regulations focusing on the

education and training for the candidates of overseas workers. The role of the government's institution was also strengthened in order to provide comprehensive protection for Indonesian overseas workers, e.g. the establishment of a Labor Attaché in Indonesian embassies abroad.

After a long journey, the Indonesian government has taken the matters of Indonesian overseas workers seriously by not just providing institutionalized placement arrangements but also improving the quality of the workers and providing protection for them. Throughout the years, the Indonesian government has made progressive development towards the improvement of policy even though it was considered as a slow progress. Considering that the issues of migrant workers are multi-faceted issues, further improvements by the Indonesian government are required, especially to protect migrant workers and establish bilateral agreements on this particular issue. Many abusive cases towards Indonesian overseas workers add the importance for the Indonesian government to establish a better protection mechanism for them.

On the other hand, the history of foreign workers in Taiwan began in the early 1980s. As the government imposed Martial Law, they had limited contact with other countries including the Southeast Asian countries. Since the 1980s, there were actually many foreign workers that have worked illegally in Taiwan, but their presence was less important than the Taiwanese domestic issues. When Martial Law was lifted in 1987, the presence of foreign workers started to be noticed for many reasons, i.e. a threatened local society, labor shortage, as well as poor working conditions that they received. In addition, the government attempted to improve the conditions of domestic laborers; hence the issue of foreign workers emerged.

This has put the government into a dilemmatic condition; whether to legalize the foreign workers in Taiwan's labor market or not. On one hand, the presence of foreign workers did threaten the homogeneity of the local community but on the other hand, Taiwan experienced

labor shortage due to the implementation of a national development plan that required massive laborers in the field of construction. In addition, many local people started to resent working in small-medium enterprises as unskilled workers, as their education and working quality improved. The idea of sending the foreign workers back home was also unpopular among the local businesses because that would hurt them by losing cheap laborers. Despite the dilemmatic situation, the Taiwan government made a breakthrough by establishing the Council of Labor Affairs (CLA/行政院勞工委員會) as the highest government authority for labor affairs. However, there were still no binding laws or regulations for foreign workers up to this time.

By the early 1990s, the pressure from the local businesses to legalize foreign workers escalated due to severe labor shortage, so the Taiwan government decided to lift the ban on importing foreign workers. Nevertheless, the ban was lifted gradually. The government was also prioritizing the importation of foreign workers for construction works in order to fulfill the Six-Year National Development plan (國家建設六年計畫). The government first approved the importation of foreign workers for six industries, particularly labor-intensive ones, such as textiles, basic metal industries, machinery and equipment, etc. in October 1991. Next, in May 1992 the government first issued the Employment Service Act (就業服務法) which legalized the employment of unskilled or blue-collar workers for the following jobs: household maids, government major construction projects, crewmen, mental institutes, nurses, or important export industries. In sum, the blue-collar workers filled the void in the so-called 3D work that the local workers shunt. The Employment Service Act (就業服務法) of 1992 also regulated the Taiwanese employers so they could not treat foreign workers arbitrarily. In the following months, the Taiwan government allowed more foreign workers to work legally in certain industries that had been approved by the CLA.

In addition to the gradual approval of importing foreign workers, the Taiwan government also imposed high restrictions in employing foreign workers. The employers also had to pay employment security fees (就業安定費) if they wished to hire foreign workers. They also had to advertise the vacancies in local newspapers for at least three days to prioritize the employment of local workers. CLA approved the submitted applications and the foreign workers were permitted to work in Taiwan for two-years only. The foreign workers were not allowed to get pregnant, married, apply for permanent residence, or bring their spouses or children during their working time in Taiwan. In sum, the Taiwan government still perceived the foreign workers as temporary workers who would just alleviate the labor shortage. Once this issue was overcome, or once their contract was completed, the Taiwan government expected the foreign workers to return to their country immediately.

However, the reality contrasted with the expectation of Taiwan government. Many foreign workers decided to come and work in Taiwan. Their willingness to work with low wages and more flexibility increased the preference of local businesses to hire them over local workers. The promotion of high-value industries required local businesses to hire a high amount of cheap laborers, in which the foreign workers play major role. The local workers also preferred to pursue higher education or better employment. Up to this phase, the role of foreign workers is no longer to alleviate the labor shortage, but to support the development of the domestic economy. As presented on Table 9, the number of foreign workers in the field of electrical and electronic machinery, which is Taiwan's major industry and export product, increased significantly since 1995.

In order to deal with the high demand of foreign workers, the CLA extended the contract term from two years to three years. The CLA also expanded the number of countries of origin.

The other restrictions to import foreign workers, such as the quota system (配額制度) and employment security fees (就業安定費), have remained intact. Policies of the Taiwan government have indicated that it acknowledged the domestic needs of foreign workers but the idea of permanent settlement was not appealing. Initially the Taiwan government hesitated to legalize foreign workers, but due to domestic pressure, eventually Taipei approved the importation of foreign workers into Taiwan legally. Nonetheless, the government in Taiwan still imposed severe restrictions in order to prevent the foreign workers from settling permanently. Indeed the Taiwan government has made some progress in managing foreign workers, for instance by guaranteeing the rights of some foreign workers and extending their contract term. However, the existing regulations still treat unskilled foreign workers as aliens or outsiders; hence put them in the low level of Taiwanese society. As a result, unskilled foreign workers are unable to negotiate on an equal basis within the Taiwanese legal labor market. This then causes several problems in managing foreign workers, including the issue of runaway workers.

In conclusion, the Indonesian government attempts to provide better placement and protection for Indonesian overseas workers through the improvement of their policies. While the Taiwan government attempts to protect the rights of migrant workers as well, it is reluctant in integrating migrant workers into the local society. Therefore the government of Taiwan has imposed severe restrictions to the importation of foreign workers to prevent the permanent settlement of migrant workers. These conditions have resulted in essentially incompatible policies between both governments as each addresses different objectives. In order to further understand the incompatible policies between Taipei and Jakarta, I will analyze the current policies imposed by each government in the following chapter. Table 11 below summarizes the labor policy development between the governments of Indonesia and Taiwan.



**Table 11. Comparison of Policy Development Related to Migrant Workers between Indonesia and Taiwan**

Indonesia		Taiwan	
Era / Date	Policy	Era / Date	Policy
Old Order Era	Government Regulation No. 3/1947	12 Oct 1991	First Round (6 industries): construction; textiles; basic metal industries; fabricated metal; machinery & equipment; electrical & electronic machinery & repairing
New Order Era	Government Regulation No. 4/1970	8 May 1992	Employment Service Act
	Ministerial Decree No. 129/Men/1983	17 Aug 1992	Household Maids
	Government Regulation No. 5/1988	20 Aug 1992	Guardian
	Ministerial Decree No. 1307		Crewman
Reformation Era	Ministerial Decree No. 92/1998 (MOM)	26 Sep 1992	Second Round (68 industries): important export industries, high linkage industries, 3D industries
	Ministerial Decree No. 204/1999 (MOM)	12 Jan 1993	Third round (73 industries): shipment, chemical products, umbrella industry, food processing industry, chemicals
	Presidential Decree No. 109/2001 and Ministerial Decree No.053/2001 (MOFA)	23 May 1993	Fourth round (6 industries): chinaware, etc.
	Regulation of Ministry of Manpower No. 150/2000	17 Aug 1993	Fifth round (73 industries): new plants or extended equipment firms
	Law No. 39/2004	14 Sep 1993	Sixth round: export processing zones, science-based industrial park, and 38 industries
After Reformation Era	Presidential Decree No. 81/2006	8 Oct 1994	Major investment-manufacturing, school, institution, and major investment-construction
	Presidential Instruction No. 3/2006	1 May 1995	7 Industries
	Presidential Instruction No. 6/2006	1997	Extended the contract term from two-years to be three-years.
	Ministerial Decree No. 18/2007		
	Ministry's Regulation No. PER 5/MENII/2009		
	Ministry's Regulation No. PER 23/MEN/IX/2009		
	Ministry's Regulation No. PER 10/MEN/V/2009		
	Ministry's Regulation No. PER 09/MEN/V/2009		
	Ministerial Regulation No. 7/2010		
	Ministerial Regulation No. 14/2010		
	Presidential Decree No. 64/2011		
	Regulation No. 12/2011		
	Government Regulation No. 3/2013		
	Government Regulation No. 4/2013		
	Ministerial Regulation No. 4/2013		
	Presidential Regulation No. 45/2013		

Source: Compiled by the author

### CHAPTER 3: RUNAWAY INDONESIAN WORKERS

In analyzing foreign runaway workers, the perspective from the foreign workers themselves needs to be taken into account because they are the main actors in this particular phenomenon. This chapter strives to explore the reasons that Indonesian workers run away by conducting surveys in Taiwan's National Immigration Agency's (NIA) Detention Centers in Nantou (南投移民署收容所), Hsinchu (新竹移民署收容所) and Yilan (宜蘭移民署收容所), as well as interviewing the Indonesian and Taiwanese representatives who deal with them. The purpose is to describe this particular phenomenon comprehensively from the workers' perspective.

Previous scholarly studies highlighted the excessive placement fees (仲介費) as the major reason for foreign workers running away. After conducting the surveys and focus group studies with Indonesian and Taiwanese representatives, I found that an uncomfortable work environment is the major reason for Indonesian workers to run away, with higher wages offered in the illegal labor market as a secondary cause.

This chapter begins by describing the research categories used to build the distributed questionnaire that was sent to the Indonesian workers, based on previous scholarly research and articles addressing runaway foreign workers. The second section explores the surveys' results with runaway Indonesian workers in Taiwan's NIA Detention Centers in Nantou, Hsinchu and Yilan. This section is expected to provide the primary data on the reasons that cause Indonesian workers to run away.

The third section will be exploring the issue of runaway Indonesian workers from the perspective of Indonesian and Taiwanese representatives. The Indonesian Workers's Joint Task

Force (Satgas TKI)<sup>111</sup> and Indonesian local staff at the Indonesia Economic and Trade Office (IETO) in Taipei represent the Indonesian representatives, while the Taiwanese Bureau of Labor Affairs, Taiwanese NIA staff, and St. Christopher's church in Taipei represent the Taiwanese representatives.

## RESEARCH CATEGORIES

The phenomenon of foreign workers is classified as a migratory action, as they are moving from a sending state to a host state. Indeed, many scholars have addressed the issue of migration, particularly on the reasons that trigger people to migrate. Even though many theories are proposed to explain such phenomena, they all have one thing in common; that most migration occurs to gain an economic benefit. Stephen Castles, for instance, proposed a neoclassical theory which emphasizes the individual's decision to migrate based on a rational comparison of the relative costs and benefits of remaining at home or moving.<sup>112</sup> On the other hand, the new economics of labor migration proposed by J. Edward Taylor argues that migration is a collective decision of the family rather than of the individual, with the main focus of increasing the family's welfare through the remittances that the workers send back home.<sup>113</sup> In summary, the movement of foreign workers to the host states is triggered by an economic gain in the form of wages. This perspective is supported by the research conducted by Professor Tsay

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<sup>111</sup> Satgas TKI was established based on IETO's Chief Decree No. 07/KDEI/SK/IV/2014. According to that decree, Satgas TKI has the responsibility to: (1) provide counseling to Indonesian workers; (2) receive the Indonesian workers' complaints; (3) follow up Indonesian workers' complaints or problems; (4) gather and cultivate data, as well as monitor settlement of cases; and (5) provide reports.

<sup>112</sup> Stephen Castles and Mark J. Miller, "Theories of Migration", in *Age of Migration: International Population Movements in the Modern World*, 4<sup>th</sup> ed, (New York: Palgrave Macmillan, 2009), p. 22.

<sup>113</sup> J. Edward Taylor, "The New Economics of Labour Migration and the Role of Remittances in the Migration Process", *International Migration* Vol. 37 (1), 1999, p. 64.

Ching-lung on Thai workers in Taiwan.<sup>114</sup> He argues that less-educated Thai workers who live in rural areas are motivated to search for jobs overseas in order to improve their economic position and social status by receiving higher wages than their work in Thailand.

Indeed, economic benefit is perceived as the main reason foreign workers run away from their employers. This perception was stated by the Taiwan government in the Third Joint Working Group Meeting between Indonesia and Taiwan in 2013.<sup>115</sup> Several scholars have attempted to analyze the reasons workers run away more thoroughly, such as Joseph S. Lee and Lan Pei-chia.

In his article, *The Role of Low-Skilled Foreign Workers in the Process of Taiwan's Economic Development*, Joseph S. Lee argues that a limited contract time and a large referral fee are the main reasons that cause foreign workers to run away.<sup>116</sup> Furthermore, he argues that the size of the referral fee makes it difficult for the foreign workers to save enough money during the limited two-year contract. At the same time, their main purpose of working in Taiwan is to provide better living conditions for their family back home, which can be realized if they successfully save wages. Therefore many foreign workers decide to run away from their employers when their contract expiration date draws near.

On the other hand, Lan Pei-chia argues on her article, *Legal Servitude and Free Illegality: Migrant "Guest" Workers in Taiwan*, that the tight control as well as excessive placement fee (仲介費) are the main reasons that cause foreign workers to run away.<sup>117</sup> She then argues that the current Taiwanese guest worker policy has placed foreign workers in the low

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<sup>114</sup> Tsay Ching-lung, "Labor Migration and Regional Changes in East Asia: Outflows of Thai Workers to Taiwan", *Southeast Asian Studies*, Vol. 40 No. 3, December 2002, p. 377-378.

<sup>115</sup> 7<sup>th</sup> Joint Working Group Taiwan-Indonesia in Labor Issue, Taipei, November 29<sup>th</sup>, 2013, p. 32-33.

<sup>116</sup> Joseph S. Lee, "The Role of Low-Skilled Foreign Workers in the Process of Taiwan's Economic Development", in *Migrant Workers in Pacific Asia*, ed. by Debrah A. Yaw, (London: Frank Cass Publishers, 2002), p. 57-59.

<sup>117</sup> Pei-chia Lan, "Legal Servitude and Free Illegality: Migrant "Guest" Workers in Taiwan", in *Asian Diasporas: New Conceptions, New Frameworks*, ed. by Rhacel Parrenas and Lok Siu, (Stanford: Stanford University Press, 2007), p. 271-273.

levels of society. Therefore they are unable to negotiate on an equal basis with their employers regarding their working conditions, be they working hours, job descriptions or recess/holiday time. While the runaway workers are able to enjoy ‘free illegality’ in the underground economy, such as being able to arrange their working schedules, or choose their own employers or their desired jobs.<sup>118</sup> This is widely known among foreign workers themselves. Therefore, when foreign workers encounter with difficult situations in their legal working environment, many of them are tempted to run away in the hope of obtaining flexibility in their working environment, which they have failed to secure in their legal work.

In addition, recent research conducted by IETO in Taipei on Indonesian runaway workers acknowledges the aforementioned factors as the supporting reasons that cause foreign workers to run away. They argue that those variables emerge due to incomprehensive information dissemination during the pre-placement phase.<sup>119</sup> If the Indonesian workers are well-informed regarding their rights and obligations, job description, placement fees (仲介費), and regulations on labor issues in Taiwan, particularly on the protection procedure, the number of runaway Indonesian workers can be diminished. Furthermore, this incomprehensive information dissemination has created false expectations among the Indonesian workers regarding their working conditions. Therefore, when reality is not in accordance with their expectations, many Indonesian workers decide to run away from their employers.

Taking into account previous scholarly research, this thesis employed five categories in conducting the survey, which were: type of work, holiday/recess time, wages, placement fees, and information dissemination. Those categories are defined as follows:

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<sup>118</sup> Ibid.

<sup>119</sup> Rangga Aditya et al, “Fenomena “TKI Kaburan” di Taiwan: Sebuah Studi Eksplorasi”, (Taipei: Indonesian Economic and Trade Office, 2014), p. 39-45.

1. **Type of Work:** the type of work for blue-collar foreign workers in Taiwan includes crew members of a vessel, marine fishing/netting work, household assistants, and work designated by the Ministry of Labor in response to national major construction project(s) or economic/social development needs. This is stated on the job contract (Taiwan's Employment Service Act 1992 as amended in 2013, Article 46).
2. **Holiday/Recess Time:** a worker is entitled to at least one regular off-day every seven days (Taiwan's Labor Standard Act 1984 as amended in 2013, Article 36).
3. **Wages:** the remuneration which the worker receives for his/her services rendered, including wages, salaries and bonuses, allowances and any other regular payments regardless of the name. They may be computed on an hourly, daily, monthly, or piecework basis, and are payable in cash or in kind (Taiwan's Labor Standard Act 1984 as amended in 2013, Article 2).
4. **Placement fees:** fees incurred by processing the employment and imposed on the candidate of migratory work, which cover: (1) passport fees; (2) medical and psychology check-ups; (3) training fees; (4) work visas; (5) accommodation and meals during pre-placement and training; (6) ticket fees and airport tax; (7) local transportation; and (8) insurance fees. Agency fees may be collected only after the migrant worker agrees to sign the labor contract. (Indonesian Ministry of Manpower Decree No. 22/2014, Article 42).
5. **Information Dissemination:** a proactive information service designed to educate and inform focused groups of users on social, economic and educational issues,

problems, and opportunities of interest to them (UNESCO).<sup>120</sup> The information consists of (1) type of work, (2) rights and responsibilities of migrant workers, (3) wages, working time, holiday/recess time, and insurance; (4) contract terms and code of conduct for re-recruitment; (5) dispute settlement; and (6) laws and rules in the host country (Indonesian Ministry of Manpower Decree No. 22/2014, Article 36).

To support those five categories, I will elaborate on the reasons Indonesian workers run away from their working and living conditions during both their legal and illegal work, which will be classified as supplementary questions. Each category and the supplementary questions are described as follows:

**Table 12. List of Questions Based on the Five Categories**

<b>VARIABLES</b>	<b>QUESTIONS</b>
Type of Work	1) Was your job description during your legal work in accordance with the job contract?
	2) Was the amount of your job during your legal work in accordance with the job contract?
	3) Did you feel that your legal job exceeded your capability?
Holiday/Recess Time	1) Did you have time to exercise religious activities during your legal work?
	2) Did you have the chance to communicate/meet with other Indonesian workers during your legal work?
	3) How did you maintain contact with fellow Indonesian workers during your legal work in Taiwan?
	4) Did you have the chance to communicate with your family in Indonesia during your legal work?
	5) How often did you communicate with your family in Indonesia?

<sup>120</sup> S.M. Dhawan, “Basic of Information Dissemination”, p. 45-46, ([http://www.unesco.org/education/aladin/paldin/pdf/course02/unit\\_05.pdf](http://www.unesco.org/education/aladin/paldin/pdf/course02/unit_05.pdf) accessed on April 1st, 2015 at 20:03).



	6) Did you have sufficient recess time in a day during your legal work (6 to 8 hours/day)?
	7) Did you have an off-day from your legal employer?
	8) During your legal work, were you allowed to have cellphone?
	9) Did you feel pressured during your legal work?
Wages	1) During your legal work, were you ever paid late or not at all?
	2) Did your legal Taiwanese agency ever deduct your salary beyond the applicable regulations?
	3) Was your salary during your legal work in accordance with your expectations?
	4) How much was your salary as a runaway worker?
Placement fees	1) Was your salary during your legal work in accordance with the information provided by Indonesian PPTKIS or the Taiwanese agency?
	2) How much was the agency fee that you had to pay as a runaway worker?
Information Dissemination	1) Did Indonesian PPTKIS provide you with Taiwanese labor-related information during your training or pre-placement time in Indonesia?
	2) Did the Taiwanese agency provide you with the applicable Taiwanese labor regulations during your legal work in Taiwan?
Supplementary Questions	1) Have you ever encountered any problems with your legal employer?
	2) Have you ever had a miscommunication or language barrier with your legal employer or Taiwanese agency?
	3) Have you ever experienced physical abuse from your legal employer?
	4) Have you ever experienced sexual harassment from your legal employer?
	5) Have you ever encountered any problems with your legal Taiwanese agency?
	6) Did you feel that your legal Taiwanese agency cared about your working conditions?
	7) Have you ever submitted a complaint to the 1955 call center during your legal work?
	8) Have you ever submitted a complaint to the Indonesian Economic and Trade



	Office (IETO) during your legal work?
	9) Have you ever submitted a complaint to the Taiwanese legal agency during your legal work?
	10) How did you solve a problem during your legal work?
	11) Why did you decide to run away from your legal employer?
	12) Did you experience any differences between being a legal and an illegal worker in Taiwan?
	13) How did you get the job information during your illegal work?
	14) How did you get information about the illegal Taiwanese agency that assigns foreign runaway workers to jobs?
	15) What was your job as a runaway worker?
	16) How did you end up in the Detention Center?

Source: compiled by the author from the questionnaire (See Appendix I for the detailed questionnaire).

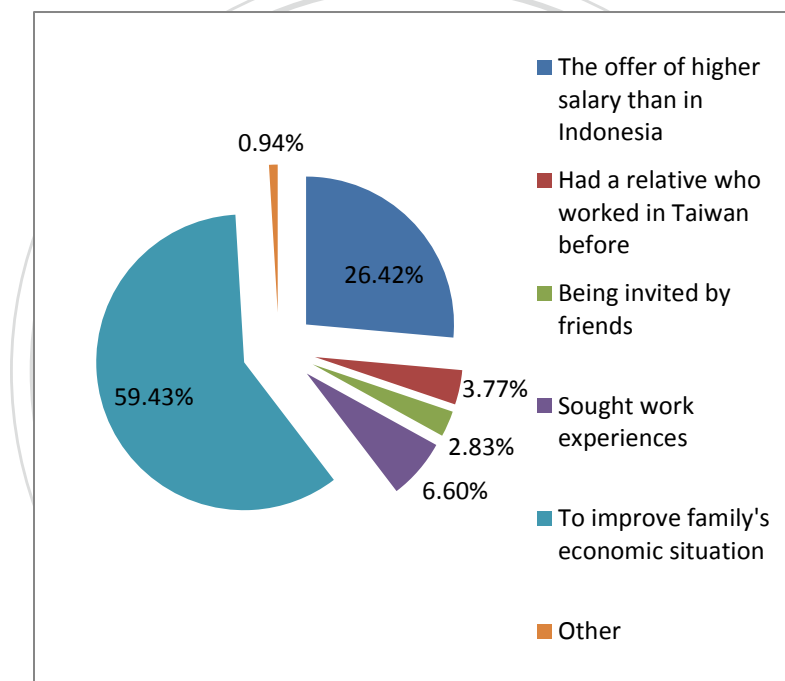
## **RUNAWAY INDONESIAN WORKERS: SURVEY RESULTS**

The survey was conducted in three of Taiwan's National Immigration Agency Detention Centers in Nantou (南投移民署收容所), Hsinchu (新竹移民署收容所) and Yilan (宜蘭移民署收容所) with 124 respondents in total. After a thorough examination, only 91 respondents have validly answered the questionnaire. In total, 36 questions based on the aforementioned categories were employed in order to gain comprehensive results regarding the first-hand reasons that Indonesian workers run away. The detailed results of survey are in Appendix II.

From 91 respondents, 31.87% of them are male and 68.13% are female. As for their origins, 42.86% are from West Java, 30.77% are from Central Java, and 16.48% are from East Java, whereas the rest of them are from Lampung and other regions in Indonesia. During their legal work in Taiwan, 41.76% worked in Northern Taiwan, 30.77% in Central Taiwan, and 27.47% in Southern Taiwan. 35.16% are aged between 23 and 27 years old, and 34.07% are aged

between 28 and 32 years old. In addition, most of them (52.75%) hold a Junior High School diploma. 61.54% of them worked legally as caretakers of the elderly or severely ill. 64.84% of respondents worked legally in Taiwan for less than one year before deciding to run away from their employers and have been in Taiwan less than three years. Their reason to work in Taiwan is mainly to improve economic conditions for their family back home as presented in Figure 4 below.

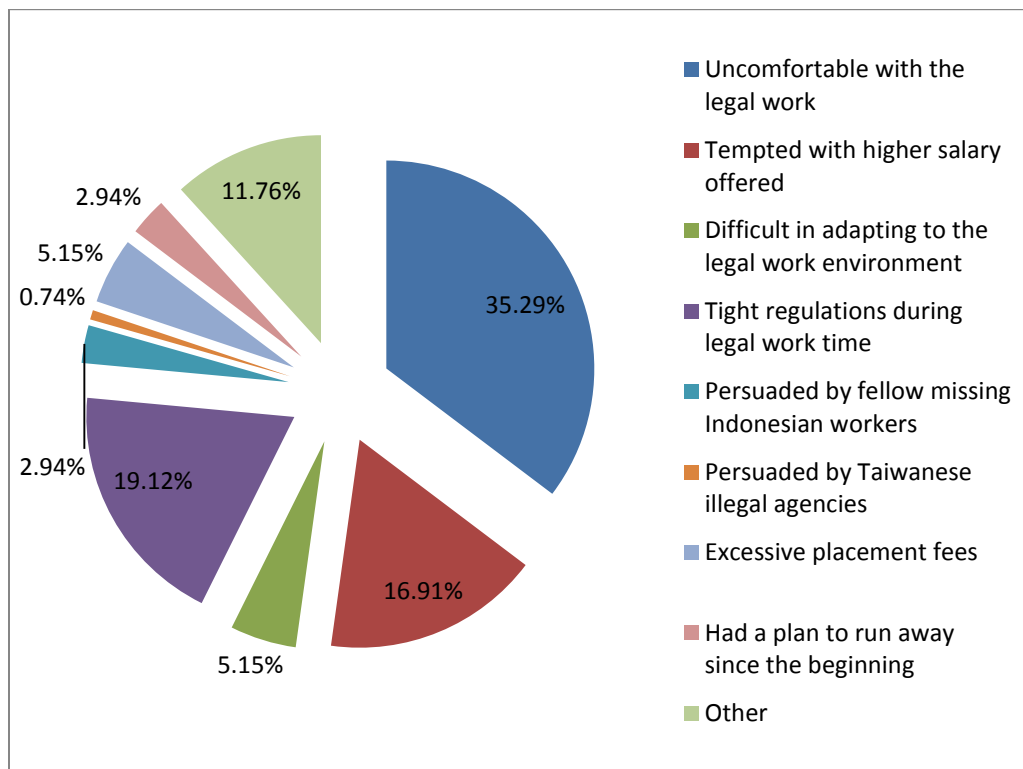
**Figure 4. Indonesian Workers' Reasons to Work in Taiwan**



Source: compiled by the author from the survey results

When they were asked their reasons for running away, 35.29% of respondents stated that they were not comfortable with their legal work, while 19.12% ran away due to tight regulations during their legal work, and 16.91% were tempted by the higher salary offered in the illegal labor market. Only 5.15% of respondents decided to run away due to excessive placement fees (仲介費), as presented in Figure 5 below.

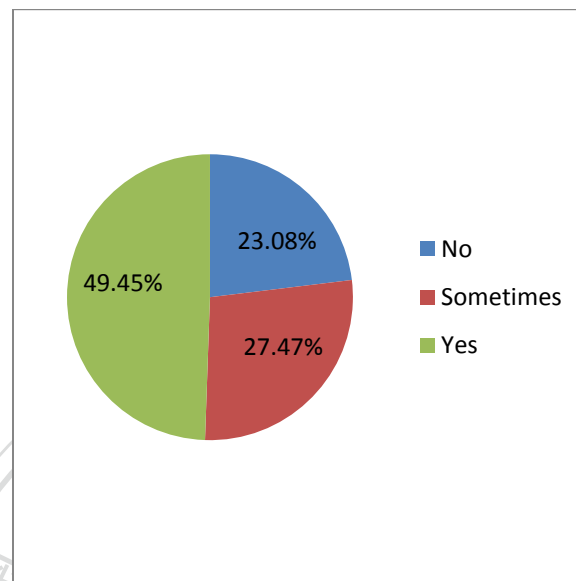
**Figure 5. Runaway Indonesian Workers' Reasons to Run Away from Their Legal Employers**



Source: compiled by the author from survey results

I then tried used the five categories to find out more about their reasons for running away. In terms of type of work, 46.15% of respondents felt that their work was not in accordance with their job contract, whereas 45.05% of them felt otherwise. 50.55% of respondents felt that the amount of jobs of their legal work was not in accordance with what was agreed in the job contract. Moreover, 49.45% of respondents felt that their legal job exceeded their capabilities, which made them unhappy. In summary, it could be inferred that most of respondents felt that their actual job was not in accordance with what had been agreed in the job contract, and more importantly, the amount of their legal job exceeded their capability.

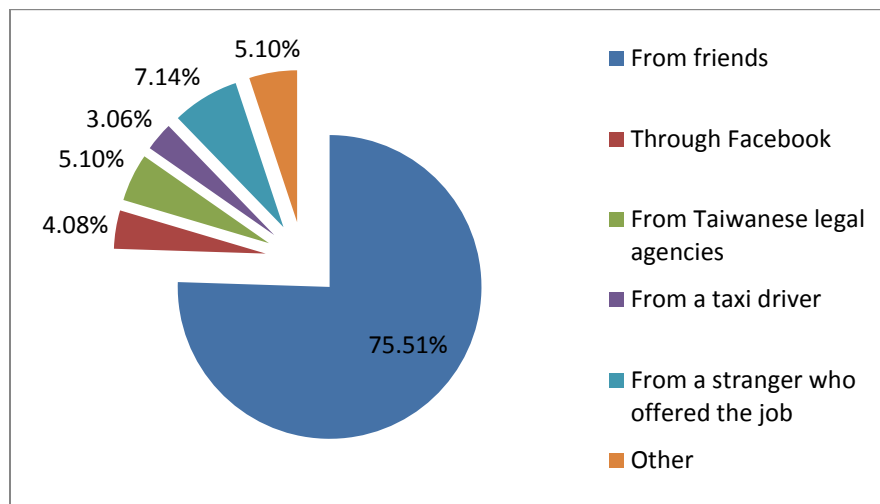
**Figure 6. Proportion of Indonesian Workers who felt that the Amount of their Legal Job Exceeded Their Capability**



Source: compiled by the author from the survey results

Concerning holiday or recess time, most Indonesian workers (56.04% of respondents) never had an off day during their legal working time. 38.46% of them did not have sufficient break time per day, whereas 34.07% of them did have sufficient break time of 6 to 8 hours per day. Even though 37.36% of respondents were not allowed to have any means of communication with other Indonesian workers during their legal working time, 36.26% of them were allowed. They usually met when they were shopping in Indonesian stores (26.42%) or when they went to the park with the care-recipient (21.70%). In addition, 62.64% of respondents were allowed to have a cellphone during their legal work. Figure 7 below presents the means of communication among Indonesian workers during their legal work in Taiwan.

**Figure 7. The Means of Communication among Indonesian Workers during Their Legal Work in Taiwan**

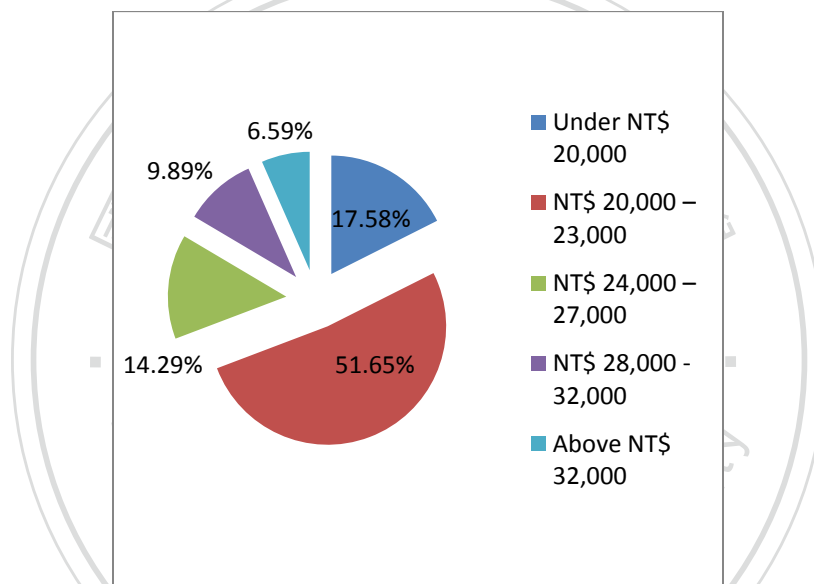


Source: compiled by the author from the survey results

Based on Figure 7, it could be inferred that most of the interaction among Indonesian workers was during their work time. They lacked off days and had limited time to communicate freely with other Indonesian workers. However, 62.64% of respondents were allowed to communicate with their family back home, with 36.26% of them communicating with their family once a week. Only 10.99% of them did not have the chance to do so. In terms of religious activity, 60.44% of respondents were not allowed to practice their religion, 23.08% of them were sometimes allowed, and 18.68% of them were always allowed to do so. In summary, the Indonesian workers had difficulties in communicating freely with their fellow Indonesian workers or conducting religious activities. More than half of respondents (56.04%) did not have off days during their legal working time, along with limited contact with fellow Indonesian workers. Moreover, 78.02% of respondents felt pressured during their legal working time, whereas only 21.98% of respondents felt otherwise.

On the other hand, the average wages of Indonesian workers in formal sectors, e.g. manufacturing, construction or nursing home, is NT\$19,273, while for those who work as caretakers or housemaids, is NT\$15,840. As a comparison, the average wages that runaway Indonesian workers receive in Taiwan's illegal labor market is between NT\$20,000 and NT\$23,000. Figure 8 presents the amount of wages that a runaway Indonesian worker may receive for illegal work.

**Figure 8. Runaway Indonesian Workers' Wages for Illegal Work**



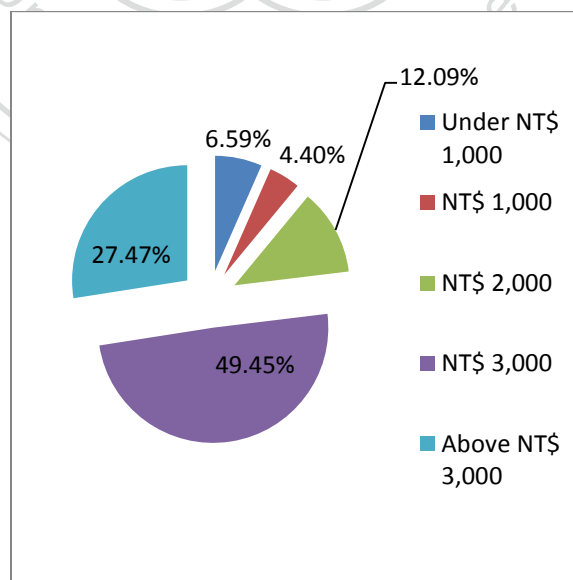
Source: compiled by the author from the survey results

Based on the survey results, 51.65% of respondents felt that their wages did not meet their expectations, while the other 48.35% felt otherwise. However, 78.02% of respondents never experienced employers withholding their wages. Only 15.38% of them experienced such an incident, and 6.59% of them sometimes experienced it. In addition, 73.63% of respondents did not feel that the Taiwanese agency deducted their salaries out of the provisions on the job contract. Only 19.78% of them felt so, while the other 6.59% sometimes felt so. Therefore, it

could be inferred that even though Indonesian workers rarely experienced irregular wages, more than half of respondents were not satisfied with their legal wages. Relatively high wages in the illegal labor market is one of the reasons that triggered Indonesian workers to run away from their legal employers.

On the other hand, the Indonesian workers did not feel that the imposed placement fees (仲介費) were excessive. 68.13% of respondents stated that their take-home pay was in accordance with the stipulated wages (including the necessary deductions). Only 31.87% of respondents stated otherwise. On the other hand, the placement fees (仲介費) that the runaway Indonesian workers had to pay to their illegal agency was approximately NT\$3,000 per month. Figure 9 presents the range of placement fees (仲介費) that runaway Indonesian workers had to pay in the illegal labor market. The illegal placement fees (仲介費) were twice as high as legal placement fees (仲介費), but with higher wages in the illegal labor market, the Indonesian workers still received higher take-home pay compared to their legal take-home pay.

**Figure 9. The Range of Placement fees of Illegal Agencies**



Source: compiled by the author from survey results



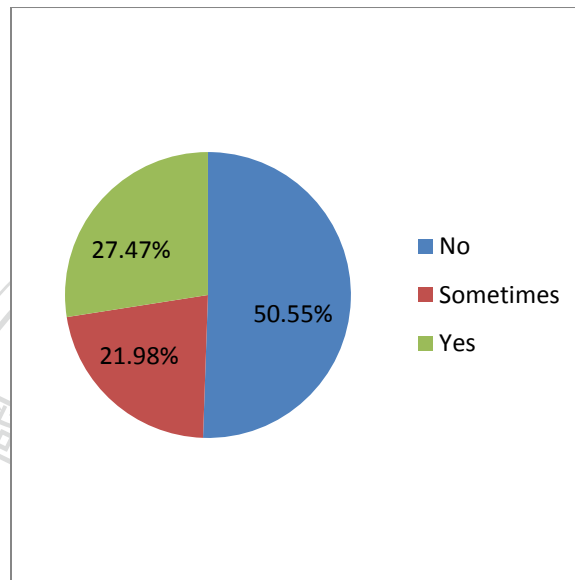
Regarding information dissemination, 65.93% of respondents acknowledged that the Indonesian PPTKIS had informed them about labor-related matters in Taiwan. In addition, 58.24% of respondents also acknowledged that the Taiwanese agencies (台灣外勞仲介公司) had informed them about labor-related matters.

Given the fact that the respondents had ran away from their legal employers, I asked more questions in order to identify their reasons for doing so, and to better understand their work and living conditions when they decided to run away from their legal work sites . During their legal work, those who did not have problems with their employers or Taiwanese agencies (台灣外勞仲介公司) accounted for 49.45% and 61.54% of respondents respectively. The rate of sexual harassment or physical abuse was relatively low: 84.62% of respondents had never experienced sexual harassment, and 85.71% of respondents had never experienced physical abuse from their employers. However, 56.04% of respondents felt that their employers were captious in response to the work conducted by Indonesian workers. The language barrier was one of the major issues for the Indonesian workers, as 42.86% of respondents encountered difficulties in communicating with their legal employers.

When Indonesian workers experienced problems with their legal employers, 32.97% of them decided to report it to their Taiwanese agencies (台灣外勞仲介公司), 29.67% of them tried to solve it with their employers directly in an amicable manner, and 26.27% of them simply shared complaints with their friends. 39.56% of respondents felt that their Taiwanese agencies (台灣外勞仲介公司) were sometimes helpful in solving their problem, whereas 36.26% of them felt that they were always helpful, and 24.18% of them felt that they were never helpful. 50.55%

of respondents felt that their Taiwanese agencies (台灣外勞仲介公司) did not care about their working conditions in Taiwan, as presented in Figure 10, below.

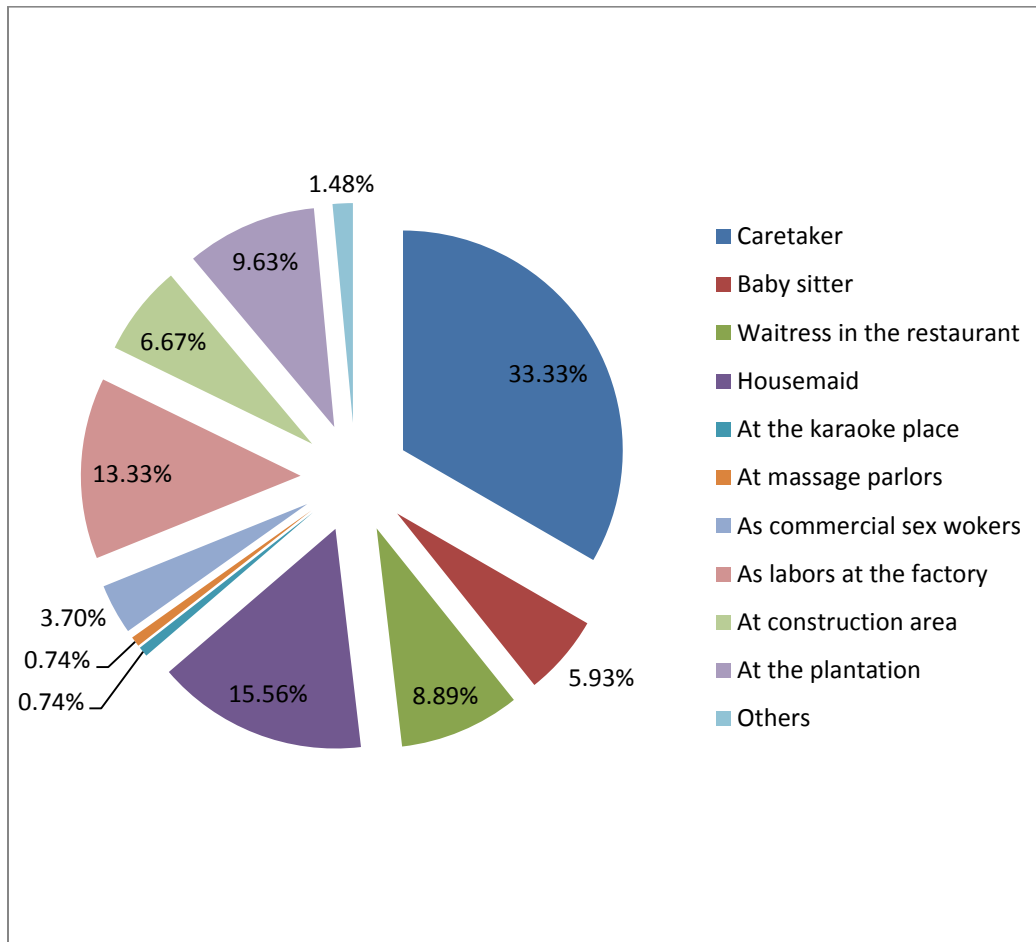
**Figure 10. Runaway Indonesian Workers Opinions on whether Their Taiwanese Agency Cared about Their Working Conditions in Taiwan**



Source: compiled by the author from survey results

As runaway Indonesian workers, 33.33% of respondents worked as caretakers, while 15.56% of them worked as housemaids, and 13.33% worked as factory laborers. Others worked as babysitters, in restaurants, karaoke places, massage parlors, as commercial sex workers, or in the construction or plantation industry, but the numbers were varied and accounted for less than 10% of each job type, as presented in Figure 11, below.

**Figure 11. Runaway Indonesian Workers Grouped by Job Type**



Source: compiled by the author from survey results

In terms of the differences that a runaway Indonesian worker experienced between being a legal and illegal worker in Taiwan's labor market, 27.21% of respondents emphasized the higher salary, 25.17% were more inclined to the freedom in deciding the job type, 17.01% enjoyed more flexibility in arranging their work schedule, and 14.97% enjoyed more flexibility in deciding their off days. Only 14.97% of respondents felt worried about their status as illegal workers.

During their experiences as runaway Indonesian workers, 57% of respondents were able to find a job through fellow runaway Indonesian workers, 30% of them through illegal Taiwanese agencies (台灣外勞仲介公司), and 13% of them found the job by themselves. This result is supported by other findings survey, as 75.51% of respondents found out about illegal Taiwanese agencies (台灣外勞仲介公司) from their friends. Furthermore, 93.40% of respondents were in the NIA Detention Center (移民署收容所) because they were captured by the police. Only 6.6% of respondents turned themselves in. These findings affirm the assumption that runaway Indonesian workers were satisfied with and enjoyed their jobs as illegal workers.

### **The Story of Two Runaway Indonesian Workers**

I conducted interviews with two Indonesian workers who were at the IETO's shelter in Taichung in order to further understand their reasons for running away. For the purpose of confidentiality, I did not use their real names in this section and in the transcript (see Appendix III for the transcripts of the interviews).

Ani decided to work in Taiwan to help improve her family's economic condition. She got the information about the job from her aunt who had worked in Taiwan before. After arriving in Taiwan, she worked as caretaker in a Taiwanese family for only two months. Even though her job contract stated she was as caretaker, she also did household chores for the family, e.g. cleaned the house, cooked and did the laundry. She did not mind doing all the tasks, but she was uncomfortable at her work place because she felt that her employer did not care about her. For instance, she was allowed to eat only after all of the family had finished eating. She also often had to buy her own food. Moreover, her employer tended to be captious with her work. She asked her Taiwanese agency to change her employer, and she was transferred to another family.

At her second work place, she only worked for another two months because the care recipient went to hospital. During her legal work, she did not have any off days nor did she receive any overtime salary. Her agency took her cellphone, and only allowed her to have it when her employer approved it. She only communicated with her family in Indonesia once a month, and met with other Indonesian workers only when she was at the park or the hospital. Her employer then accused her of stealing, and so she was returned to her agency.

Ani was actually satisfied with her duties and wages. It was her employer who made her uncomfortable because she was treated as an outsider and accused of stealing. After her second employer returned her to the agency, she stayed there for three months. Her agency did not transfer her to another employer or return her home. She also told her agency that she did not steal anything from her employer but her agency did not trust her. Her agency then asked her to pay five million rupiahs if she wanted to return home. She paid the requested amount, but her agency did not return her home. Feeling concerned about her life and situation, she then decided to run away from her agency.

As a runaway worker, Ani worked as a caretaker or housemaid in Taichung. She worked there for two or three weeks before she changed to another employer. Nevertheless, she did not find any difficulties in finding a job as a runaway worker. She got the information about jobs from other runaway Indonesian workers and Taiwanese employers. She did feel worried as a runaway worker, but she enjoyed her work in the illegal labor market, as she had more flexibility in arranging her jobs and off days, and earned a higher salary (approximately NT\$20,000 – NT\$23,000 per month, depending on the employer). After being a runaway worker for 1.5 years, she turned herself in to the local authorities because she was pregnant and wanted to go home. However, she did not regret running away.

Siti has a similar story to Ani. She decided to work in Taiwan to help improve her family's economic condition. The agreed job contract was for a caretaker, but when she arrived in Taiwan she was working for a local small enterprise. Her duties included cooking the materials for traditional Chinese medicines, taking care of the employer's five year-old daughter, and other household chores. She complained to her employer regarding the mismatched job, but her employer told her to be quiet and not tell the truth if BLA asked her. During her legal work, she worked from 5:00 am until 11:00 pm. Her employer allowed her to have off days only after she had worked for two years. She was also not allowed to have a cellphone, and hence rarely communicated with her family back home. The overload tasks practically left her no chance to meet or communicate with other Indonesian workers. She then made a complaint to her Taiwanese agency, but the agency trusted her employer more. Feeling pressured by the overload tasks and tight surveillance without any help from her agency, Siti then decided to run away after working legally for a year.

As a runaway worker, Siti worked as a housemaid, commercial sex worker and at a karaoke place. She earned approximately NT\$24,000 to NT\$27,000 as a runaway worker. She received job information in the underground labor market from fellow runaway Indonesian workers. She enjoyed her job as a runaway worker because she had more flexibility in selecting jobs and arranging working hours. After being a runaway worker for three years, Siti was captured by the local authorities. Nevertheless, she did not feel sorry for running away because by doing so she was able to fulfill her dream to build a house for her family back home.

## **RUNAWAY INDONESIAN WORKERS: FOCUS GROUP STUDIES**

In order to enrich the findings from the survey and interviews, I conducted focus group studies with several representatives from Indonesia and Taiwan, using the same five categories. The representatives from Indonesia included Satgas TKI and IETO, who deal with the issue of Indonesian labor in Taiwan. The representatives from Taiwan included an NIA officer, a BLA officer, and a representative from St. Christopher's church that provided shelter for foreign workers in Taipei. The focus group studies transcripts are enclosed in Appendix IV.

In terms of type of work, the Satgas TKI's representatives and St. Christopher's Church confirmed that the amount of jobs is one of the reasons that Indonesian workers decide to run away. Even though the job contract only states taking care of the elderly or the ill as the job description of a caretaker, in practice, Indonesian caretakers also conduct other household chores, e.g. cleaning the house, cooking, laundry, etc. As for factory workers, one of the Satgas TKI representatives stated that the Indonesian workers' wages depend on the availability of jobs in the factory. If there are not many jobs available, they spend most of their time in the company's shelter and their wages are deducted. The St. Christopher's church representative also mentioned the mismatched types of work offered by Taiwanese employers. For instance, the Indonesian workers should be working as caretakers as agreed in the job contract, but when they arrive in Taiwan they are employed in the family's business or factory. This causes the Indonesian workers to be dissatisfied with their jobs.

According to Satgas TKI, many Indonesian workers do not enjoy holidays, particularly in their first year of work. Some of them are not allowed by their employers or agencies, while the others decide to work overtime in order to save as much money as possible to pay the loan for their cost to come to Taiwan. Religious differences between Indonesian workers and Taiwanese



employers are one of the reasons that Indonesian workers are unable to practice their religious activities, such as praying five times a day as a Moslem. In addition, many Indonesian caretakers share the same room as their care recipient, so they are expected to provide whole-day assistance. This left the Indonesian caretakers with insufficient recess time, as they were constantly with the care recipient.

In terms of wages, both the Indonesian and Taiwanese representatives affirmed that this was the main reason that Indonesian workers run away from their legal employers. Many Indonesian workers complained that their wages were too low. When they are offered higher wages, most of them choose that job without hesitation. One of the IETO representatives stated that an Indonesian caretaker's salary has been NT\$15,840 ever since 1997.

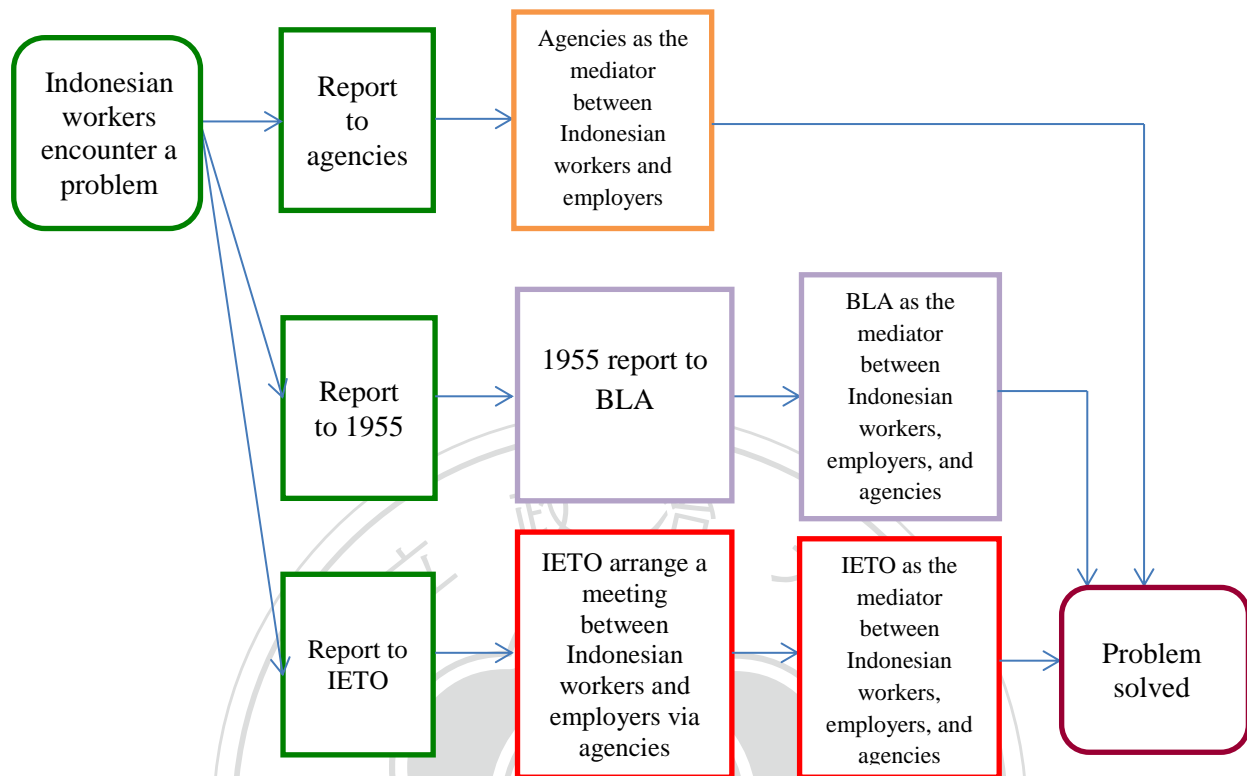
In contrast to the survey results, the focus group studies affirmed that high placement fees (仲介費) are relatively substantial in causing Indonesian workers to run away from their legal employers. The Indonesian workers have to pay service fees to Indonesian PPTKIS, at a rate of approximately one month of their wages, as well as Taiwanese agency's placement fees (仲介費) of NT\$60,000, which is deducted from their monthly wages (NT\$1,800 per month for the first year, NT\$1,700 per month for the second year, and NT\$1,500 per month for the third year). They also have to pay the bank interest, which is also deducted from their wages for the first nine months. This left Indonesian workers highly indebted and the various deductions from their wages made them feel that they did not receive much take-home pay. Therefore, when they are offered higher wages and only have to pay NT\$3,000 monthly for the illegal Taiwanese agencies (台灣外勞仲介公司), most of them are tempted to take illegal jobs.

According to the focus group studies, runaway Indonesian workers do not know anything about their rights and obligations or labor-related regulations. Even though the Taiwanese NIA

provides brochures for Indonesian workers at the airport, still most of them were unaware of the consequences of being runaway workers. One of Satgas TKI's representatives stated that Indonesian PPTKIS and Taiwanese agencies (台灣外勞仲介公司) only provide the information, and don't have explanatory sessions to accommodate Indonesian workers' questions related to such issues. Therefore, even though the Indonesian workers know their rights and obligations or the labor regulations in Taiwan, this does not mean that they understand such matters completely.

The Indonesian representatives, as well as the St. Christopher's Church representative, affirmed that Taiwanese agencies (台灣外勞仲介公司) play a substantial role in addressing the Indonesian workers' problems with their Taiwanese employers. Even though there are three dispute settlement mechanisms that the Indonesian workers can choose from, most of them seek assistance from Taiwanese agencies (台灣外勞仲介公司) when they encounter a problem. Unfortunately, their responses towards Indonesian workers are not too helpful, as they only advise the Indonesian workers to be patient, and do not take concrete action. It has to be noted that the requirement to change employers in Taiwan for unskilled workers is rather difficult to fulfil, which, according to the IETO representative, causes the Taiwanese agencies (台灣外勞仲介公司) to be unresponsive in dealing with Indonesian workers' issues.

**Figure 12. Three Dispute Settlement Mechanisms for Indonesian Workers**



Source: IETO, *Fenomena “TKI Kaburan” di Taiwan: Sebuah Studi Eksplorasi*, 2014, p. 25.

Figure 12, above, presents the three dispute settlement mechanisms when Indonesian workers encounter problems. First is through the Taiwanese agencies (台灣外勞仲介公司) directly. They will be the direct mediator between the Indonesian worker and their employer. Second is through BLA’s hotline 1955. Indonesian workers can call 1955 to report the problems they encounter, and BLA will assist them to solve the problem. In most cases, BLA will also include the Taiwanese agencies (台灣外勞仲介公司) in the mediation process. Nevertheless, according to IETO’s representatives, many Indonesian workers are still unaware that the hotline 1955 consists of two different services, which are consultation and complaint procedures. If the Indonesian workers choose consultation only when they make the call, their cases will not be

reported to BLA for further action. These options are not explained when the Indonesian workers make the call. Lastly, is through IETO who will mediate between the Indonesian worker, employer and Taiwanese agency. Unfortunately, these three mechanisms work separately and coordination among them is conducted only if they perceive it to be necessary.

In obtaining jobs in Taiwan's illegal labor market, the results of the focus group studies also affirm that the network of fellow runaway Indonesian workers is the main source of work. This network is well established in the underground labor market, and there are even illegal agencies that provide job opportunities for runaway Indonesian workers. According to the St. Christopher's church representative, in some cases, the Taiwanese employers themselves are asking, either the illegal agencies or fellow runaway Indonesian workers, if there is any runaway Indonesian worker who wants to work for them in order to avoid the complicated procedures imposed by Taiwan's government in hiring legal foreign workers. Therefore it could be inferred that there is a demand for runaway Indonesian workers in Taiwan because the procedure of hiring illegal workers is less complicated than that of hiring legal workers.

## **ANALYSIS**

The purpose of conducting the survey, interviews and focus group studies was to obtain primary data regarding the issue of runaway Indonesian workers from the workers directly, as well as from several institutions who deal with such issues. The findings of the survey, interviews and focus group studies have successfully served the purpose of this research.

The first category, the type of work, was essential in both the survey and focus group studies. 46.5% of respondents felt that their legal job was not in accordance with their job contract, and the focus group studies also highlighted the practice of mismatched work type in

the Taiwanese labor market. Furthermore 49.45% of respondents felt that their legal job exceeded their capabilities, while the focus group studies also addressed the exceeding amount of jobs as one of the reasons that Indonesian workers decided to run away from their legal employer.

Holiday/recess time was also essential in the survey and focus group studies. The result of survey showed that 36.04% of respondents did not have off days from their employer, and only 36.07% of respondents had sufficient break time of 6 to 8 hours per day. 36.26% of respondents were allowed to have communication with fellow Indonesian workers, and 60.44% of respondents were not allowed to practice their religious activity. These all are supported by the focus group studies which addressed that most of the Indonesian workers did not have off days, and had limited recess time and communication with fellow Indonesian workers. Even though some of the Indonesian workers enjoyed communication with fellow Indonesian workers, the communication was conducted during their working time, e.g. when they were at the park or hospital with the care recipient, or at the Indonesian store when they were shopping. This made the Indonesian workers feel that they were under tight control and surveillance during their working time, which was reflected in the survey by 78.02% of respondents stating that they felt pressured during their legal working time.

Thirdly, wages were also essential based on the survey and focus group studies. Based on the survey, 51.65% of respondents were not satisfied with their legal wages. The focus group studies also addressed the issue of low wages that Indonesian workers received, particularly the caretakers, whom have not enjoyed wages increment since 1997. Moreover, as most of the respondents' main reason to work in Taiwan is to improve their economic conditions, the offer of a NT\$5,000 higher salary is tempting.

Being unsatisfied with wages is strongly related to the fourth category, placement fees (仲介費), as further elaborated on the focus group studies. During the first year of the contract, Indonesian workers experience deductions which consist of the Indonesian PPTKIS' fee, the Taiwanese agency's fee, the bank interest and administration fees for the loan. In the end, they only receive half of the agreed wages during their first year, which makes them dissatisfied with their take-home pay. Therefore, the first year of legal work is critical for Indonesian workers and most of them decide to run away before they complete their first year. As runaway workers, they pay a higher placement fee (仲介費) every month if they get the job from a Taiwanese illegal agency, but as their take-home pay is relatively higher, even after deductions, this makes them feel satisfied with their earnings in the illegal labor market.

For the fifth category, information dissemination, the result of the survey finds that Indonesian workers are informed about all labor-related matters before they depart for Taiwan. Even though the Indonesian workers are informed by the Indonesian PPTKIS and Taiwanese agencies (台灣外勞仲介公司), the information is not thorough or comprehensive. This causes the Indonesian workers to be unaware of the consequences of their working condition or of violating Taiwan's labor regulations by being runaway workers.

In addition to the five categories, the supplementary questions presented another essential category, which was the role of the Taiwanese agencies (台灣外勞仲介公司). The focus group studies suggest that most of the Indonesian workers choose to appeal to their Taiwanese agency if they encounter a problem. However, they feel that the Taiwanese agencies (台灣外勞仲介公司) are unresponsive in solving their problems, which then adds to the resentment that Indonesian workers bear during their legal work. It is also supported by the result of the survey that 50.55% of respondents felt their Taiwanese agencies (台灣外勞仲介公司) did not care

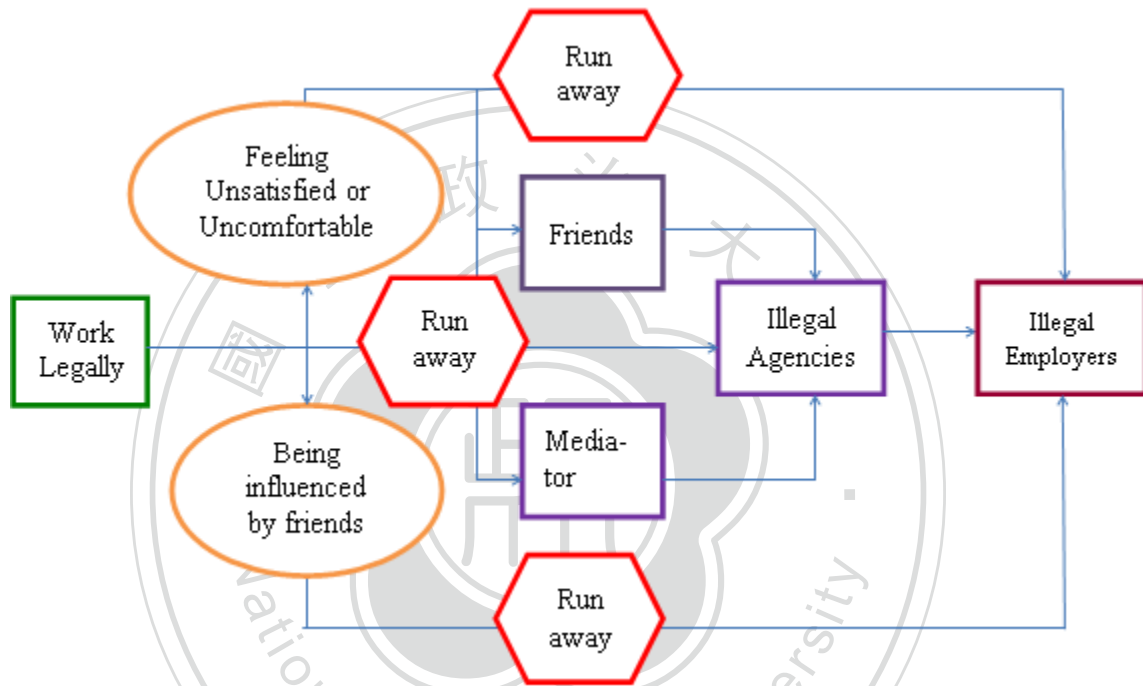
about their working conditions. In reality, it is also difficult for the Taiwanese agencies (台灣外勞仲介公司) to solve the Indonesian workers' problems, for instance by transferring the Indonesian workers to other Taiwanese employers, as Taiwan's guest worker policies do not allow them to do so freely.

Pursuant to the aforementioned elaboration, three main reasons can be concluded. Mismatched and overload type of work and limited holiday/recess time create **(1) an uncomfortable work environment** for Indonesian workers, which makes them feel under tight control and surveillance. As the interviews with runaway Indonesian workers Ani and Siti showed, both were uncomfortable in their legal working environment for different reasons. Ani felt that her employer did not care for her, while Siti experienced mismatched and overload jobs. They also did not enjoy any off days, nor did they have the chance to communicate properly with their family and fellow Indonesian workers. These conditions caused them to feel pressured. Secondly, low wages and excessive placement fees (仲介費) create **(2) low take-home pay** for Indonesian workers. Relatively low wages in the legal labor market as compared to the illegal labor market, as well as the intensive deductions during the first year, add to the frustration of Indonesian workers in the legal labor market. Lastly, **(3) the role of brokers**, either Indonesian PPTKIS or Taiwanese agencies (台灣外勞仲介公司), in distributing information or safeguarding the welfare of Indonesian workers is also essential. This includes providing comprehensive information, both in the pre-placement and placement phase, as well as facilitating dispute settlements for Indonesian workers. These findings affirm the previous research that placement fees (仲介費), type of work, and limited holiday/recess time are essential factors that influence foreign workers to run away. However this thesis exposes another contributing factor that triggers foreign workers to run away, which is the inactive role of brokers



towards foreign workers. As the interviews with the runaway Indonesian workers showed, both Ani and Siti told their problems to their Taiwanese agencies (台灣外勞仲介公司), but the agencies trusted their employers more than the workers. In the end, they did not feel that their agencies were helping them.

**Figure 13. The Process of Runaway Indonesian Workers**



Source: IETO, *Fenomena “TKI Kaburan” di Taiwan: Sebuah Studi Eksplorasi*, 2014, p. 27.

Figure 13 above describes the process of Indonesian workers running away from their legal employers until they obtained job in the illegal labor market based on the results of survey, interview and focus group studies. During their work, Indonesian workers were feeling unsatisfied or uncomfortable with their jobs and/or working environment. In addition, some of the Indonesian workers were being influenced, either by other runaway Indonesian workers, middlemen (strangers or taxi driver), or illicit local agencies. They usually influenced the Indonesian workers with the prospects of higher wages and more flexibility in work

arrangements. Feeling pressured at their work and attracted to allegedly better working conditions, Indonesian workers were encouraged to run away. In some cases, the Taiwanese employers themselves might offer the job directly to the Indonesian workers. It could be concluded that the networks of illegal labor market are well-developed and well-maintained because the job opportunities are accessible through several channels. These findings reflect that not only Indonesian laborers have a massive supply of workers, but also that the Taiwan market demands such labor.

The survey also affirms that most runaway Indonesian workers enjoyed their time working illegally, as 90% of respondents were caught by the Taiwanese police, and had not surrendered. This is also supported by the interview results, where the runaway Indonesian workers did not regret running away. They also confirmed that they had more flexibility in arranging jobs or choosing employers in the illegal labor market, an observation which supports the previous research conducted by Lan Pei-chia. Runaway workers enjoy ‘free illegality’ in Taiwan’s illegal labor market.

## **CHAPTER 4: MIGRANT LABOR POLICY AND COOPERATION BETWEEN JAKARTA AND TAIPEI**

The sending and the host states have different roles towards foreign workers. The former is responsible for selecting and preparing the workers before they depart for the host states. The sending state also has to maintain and protect the rights of the workers as an obligation to provide welfare to the citizens. However, the workers must observe the laws and regulations within the jurisdiction of the host states. Therefore, the laws and regulations in the host states are important in guaranteeing the working and living conditions of foreign workers.

Pursuant to the aforementioned, this chapter strives to analyze the policies imposed by Indonesia as the sending state and Taiwan as the host state in managing the Indonesian workers. The chapter begins by presenting the Indonesian policies that focus on the pre-placement processes, training, and protection of the Indonesian workers. The second section of the chapter explores the Taiwanese policies that focus on the legal employment and protection of Indonesian workers' rights and obligations, and the punishment for any parties that employ or provide runaway Indonesian workers. Each section relates back to the findings in the previous chapter.

The third section describes the international conventions on human rights that have been ratified by Taiwan government in order to provide extensive understanding based on the international law. In addition to the policies and international laws, cooperation between Taiwan and Indonesia on labor issues will be analyzed in the fourth section. It will focus on the labor issues raised by the Joint Working Group (JWG) from 2011 to 2014, regarding the root causes of runaway Indonesian workers in the previous chapter. Finally, an analysis which connects the

labor policies, international conventions on human rights, cooperation on labor issues and root causes of runaway Indonesian workers will be presented.

## **INDONESIAN OVERSEAS WORKERS' POLICIES**

As elaborated on the previous chapter, Law No. 39/2004 is the central regulation for Indonesian overseas workers. However, there are three further regulations which regulate Indonesian overseas workers more thoroughly, and these serve as extensions of Law No. 39/2004. The first regulation is the Ministry of Manpower's Ministerial Regulation No. 22/2014, which regulates the recruitment and placement process prior to departure from the host state. Second is the Government Regulation No. 3/2013, which emphasizes the protection of Indonesian overseas workers. Lastly, the amount and type of placement fee are regulated by the Decision of the Director General of Employment Training Ministry of Manpower and Transmigration No. 152/2009 and No. 153/2009.

### **The Ministry of Manpower's Ministerial Regulation No. 22/2014**

The Ministry of Manpower's Ministerial Regulation No. 22/2014 regulates the recruitment, selection, training and final briefing processes of Indonesian overseas workers. This section focuses on three specific chapters, which are: (1) Chapter 2 of recruitment; (2) Chapter 3 of the job contract; and (3) Chapter 4 of the final briefing prior to departure. These chapters will connect with the results of the previous chapter.

According to Chapter 2 Article 11, the recruitment process of Indonesian overseas workers must be preceded by providing information on the: (1) type of work; (2) location and working environment; (3) procedures of protection and possible risks; (4) the requirements of

hiring the candidates; (5) working conditions including wages, working time, recess time/holiday, overtime, protection, and facilities; (6) regulations and laws regarding the socio-cultural situation, as well as other situations and conditions in the host states; (7) placement fees imposed on the candidates; and (8) the rights and obligations of the workers. The purpose is to inform the workers on the working conditions and environments, including the workers' rights and obligations of the host states to the workers, before they agree to be recruited. In addition, as stipulated in Article 14, Indonesian PPTKIS is prohibited to collect any recruitment fees from the candidates. The information about vacancies should be comprehensive and free of charge.

Article 27 of Chapter 3 regulates the employment agreement, including working hours, wages and mechanisms to pay the salary, the right to have days off at least once a week, recess time and leave entitlement, accommodation facilities, access their family back in Indonesia, and the dispute settlement mechanism. Additionally, candidates must sign the job contract in front of local authorities where the training is located after they complete the final briefing (Article 28). The job contract is then duplicated; one for the Indonesian workers and the other for the employer as regulated in Article 29. These regulations intend to further inform the worker on working conditions and environments as well as to prevent possible violations of the job contract. Moreover, the Indonesian workers are also entitled to keep a copy of the job contract.

Finally, Chapter 4 regulates the final briefing of the candidates. According to Article 36, the final briefing is intended to provide further understanding of the laws and regulations in the host states. This includes the immigration, labor and criminal regulations, dispute settlement mechanisms and the detailed content of the job contract. Therefore, the Indonesian workers should be aware not only of their rights and obligations but also of the laws and regulations in

the host states, particularly relating to criminal actions and dispute settlements when they encounter problems.

### **Government Regulation No. 3/2013**

Government Regulation No. 3/2013 focuses on the protection of Indonesian overseas workers during the pre-placement, placement and post-placement phases. This section highlights the protection of Indonesian overseas workers during the placement phase as regulated in Chapter 2 in order to understand the role of the Indonesian government after the Indonesian workers arrive in Taiwan.

According to Article 8, the placement fees for Indonesian overseas workers are determined by the host state and the job sectors. Therefore, the placement fee for Taiwan differs from that for Singapore, Hong Kong or other countries. Meanwhile, the protections of Indonesian overseas workers during the placement phase include: (a) guidance and supervision; (b) consular aids; (c) legal aids; (d) workers' rights; (e) other protections and assistances in accordance with the international regulations and laws; and (g) diplomatic efforts, as stipulated in Article 17. Furthermore, Article 18 reiterates that guidance and supervision includes providing assistance for the settlement of disputes between the Indonesian workers and employers and/or the agencies.

Ensuring the fulfillment of workers' rights, based on Article 21, includes demanding the fulfillment of Indonesian workers' rights, bringing action against parties who do not fulfill the Indonesian workers' rights, and providing assistance to Indonesian workers who are being transferred to other employers due to mismatched jobs. If Indonesian workers encounter such issues, the Indonesian representative offices in the host states hold the responsibility to provide

aids and assistances. It may be inferred that Indonesian workers who encounter issues in their working environment (e.g. being unable to claim their off days, overtime, or experience mismatched jobs) may seek assistances from IETO as the Indonesian representative office in Taiwan.

### **Decision of the Director General of Employment Training Ministry of Manpower and Transmigration No. 152/2009 and No. 153/2009**

These two regulations focus on the types and amounts of placement fees that the Indonesian PPTKIS is allowed to impose on Indonesian overseas workers. Regulation No. 152/2009 controls placement fees for Indonesian overseas workers in the formal sector (e.g. factories, construction sites or nursing homes) whereas Regulation No. 153/2009 controls placement fees for Indonesian overseas workers in the domestic sector. Based on those two regulations, the following items are allowed to be included in placement fees:

- a. Passport fees
- b. Medical check-up fees
- c. Working visa application fees
- d. Insurances for Indonesian overseas workers
- e. Fees incurred for training purposes (accommodation, resources, instructors' fees, guidance books, stationery, etc.)
- f. Issuance fees for training certificates
- g. Competence test fees
- h. Airport taxes
- i. Local transportation fees



- j. One way tickets from Jakarta to Taipei
- k. PPTKIS service fees (the maximum amount is one month's salary of Indonesian overseas workers in Taiwan)

## **TAIWANESE GUEST WORKER POLICIES**

There are two main policies that relate to the employment of foreign workers in Taiwan. The first one is the Employment Service Act 1992 (就業服務法), which serves as the legal basis for legal employment and consists of all the provisions for hiring foreign workers in Taiwan. The second one is the Labor Standard Act 1984 (勞動基準法), which regulates the rights and obligations of both local and foreign workers.

### **Employment Service Act 1992 (就業服務法)**

The regulations promulgated in the Employment Service Act 1992 (就業服務法) are not specifically for employing foreign workers in Taiwan. This Act also regulates the promotion of employment for Taiwanese workers, as well as the roles of governmental and private employment services. In order to make connections to the findings in the previous chapter, this section focuses only on Chapter 4 (regarding private employment services), Chapter 5 (addressing the employment and administrations of foreign workers), and Chapter 6 (emphasizing the penal provisions of runaway foreign workers in particular). In addition, I will analyze the articles of Chapter 5 and 6 specifically relating to blue collar or unskilled workers.

The Taiwan government allows private agencies to be involved in Taiwan's labor market only after they obtain a business license from the Ministry of Labor (中華民國勞動部). Article 35 determines the services that they may be engaged in, which are: job placements, recruitment

of workers, employment counseling or psychological tests for local workers, as well as other services approved by the Ministry of Labor (中華民國勞動部). In providing these services, Taiwanese agencies (台灣外勞仲介公司) may collect fees where the amounts and items are being promulgated by the Ministry of Labor (中華民國勞動部).

Even though the Taiwan government allows the employment of foreign workers, it cannot jeopardize the opportunities for employment, economic development or social stability of local workers, as stated in Article 42. No one may get involved in employing foreign workers illegally, according to Article 44. Furthermore, Article 45 emphasizes that no foreign workers are allowed to work illegally for any third party. In other words, the interests of local workers prevail over those of foreign workers, and the employment of foreign workers illegally or for a third party is highly prohibited.

Article 46 determines the jobs that foreign workers may undertake legally in Taiwan, which are: (1) specialized or technical works; (2) directors/managers/executives of a business invested in or setup by overseas Chinese or foreigner(s) with the authorization of the government of the Republic of China; (3) teachers; (4) full-time teachers teaching course(s) on foreign language(s); (5) sports coaches and athletes; (6) religious, artistic and show business works; (7) crew members of a vessel; (8) marine/fishing/netting works; (9) household assistants; (10) work designated by the Ministry of Labor (中華民國勞動部) in response to major national construction project(s) or economic/social development needs; and (11) other specialized ad hoc work approved by the Ministry of Labor (中華民國勞動部). This article divides the jobs for foreign workers into white collar or skilled workers (numbers 1 to 7) and blue collar or unskilled workers (numbers 8 to 10), which results in major differences of provisions. Furthermore, Article

46 also specifies that foreign workers engaging in work referred to numbers 8 to 10 shall enter into a fixed-term written labor contract with the employers.

If local employers want to hire unskilled foreign workers, they have to announce the vacancies publicly and notify the labor unions in order to prioritize domestic recruitment. This is because the employment of unskilled foreign workers is allowed only in the circumstances that domestic workers cannot meet the demand, as regulated in Article 47. According to Article 48, local employers also have to submit the relevant documents to the Ministry of Labor (中華民國勞動部) to gain an Employment Permit in order to hire foreign workers. The foreign workers also have to undergo health examinations as regulated by the Ministry of Labor (中華民國勞動部). In addition, the Ministry of Labor (中華民國勞動部) may impose a quota system (配額制) for unskilled foreign workers.

Unskilled foreign workers cannot stay for longer than three years, as specified in Article 52, and can be extended up to twelve years only. Nonetheless, foreign workers must return to their home country after their contracts expire, and then file for their work extension from their home country. According to the quota system (配額制度), based on Article 54, the Taiwan government may prohibit the employment of unskilled foreign workers for various reasons, including if the number of runaway foreign workers of a particular nationality has reached a certain figure or percentage as prescribed by the Ministry of Labor (中華民國勞動部).

In order to hire unskilled foreign workers, local employers have to pay for employment security fees (就業安定費) to the Ministry of Labor (中華民國勞動部) to substitute for the promotion of local employment purposes, as well as processing the employment and administration of foreign workers (Article 55). The definition of a runaway foreign worker, as described in Article 56, is an employed foreign worker being unjustifiably absent from their

work and not in contact for three days consecutively. The employers have to notify the Bureau of Labor Affairs (BLA/勞工事務局) and make a report of such events to the Police Bureau (內政部警政署).

Article 57 prohibits any illegal action against foreign workers, including engaging foreign workers to work for a third party, commanding unskilled workers to change their work placement without the permission of the Ministry of Labor (中華民國勞動部), using coercion, threats or any other illegal means, and illegally withholding passports or residence certificates of workers. In terms of transferring unskilled foreign workers to another employer, according to Article 59, it may be possible only if the following incidents occur: (1) the care recipients are deceased or emigrated; (2) the vessel they work on is seized, sunk, or under repair, which leads to the discontinuation of the work; (3) the employer suspends the business or fails to pay the wages of the workers; or (4) other circumstances not attributable to the foreign worker. It may be inferred that unskilled foreign workers may transfer employers only under fairly restricted conditions and based on the approval of the Ministry of Labor (中華民國勞動部).

**Table 13. Penalty for Employing Illegal Foreign Workers**

Actors	Charge	Penalty	Act
Local employers	Employing illegal foreign workers	Being fined NT\$ 150,000 to NT\$ 750,000.  If the same violation recurs within five years, the employer shall be imprisoned for at most three years and fined a maximum of NT\$ 1,200,000.	Chapter 6  Article 63
Local employers	Hiring foreign workers, but they	Being fined NT 100,000 to NT\$ 500,000.  If the same violation recurs within five years,	Chapter 6  Article 64

	work for a third party.	the employers shall be imprisoned for at most one year and fined a maximum of NT\$ 600,000.	
Taiwanese agencies	Providing illegal foreign workers for profit.	Being imprisoned for a maximum of three years, or detained for hard labor, and/or fined a maximum of NT\$ 1,200,000.	Chapter 6 Article 64
Taiwanese agencies	Distributing illegal foreign workers.	Suspension of its operation for a maximum of one year.	Chapter 6 Article 69

Source: compiled by the author from Employment Service Act 1992.

Table 13 presents the penalties that the Taiwan government may impose relating to the employment of illegal foreign workers, including runaway Indonesian workers. If local employers hire illegal foreign workers, they are subject to a fine of NT\$ 150,000 to NT\$ 750,000. However, if the same violation recurs within five years, they are subject to a fine of NT\$ 1,200,000 and imprisonment for a maximum of three years. On the other hand, if local employers send foreign workers to work for a third party, the local employers are subject to a fine of NT\$ 100,000 to NT\$ 500,000. If the same violation recurs within five years, they are subject to a fine of NT\$ 600,000 and imprisonment for a maximum of one year. As for Taiwanese agencies (台灣外勞仲介公司), their business license may be suspended for one year or the responsible persons may be imprisoned for a maximum of three years, detained for labor, and/or fined a maximum of NT\$ 1,200,000.

## **Labor Standard Act 1984 (勞動基準法)**

The purpose of the Labor Standard Act 1984 (勞動基準法) is to provide minimum standards for working conditions, protect the workers' rights and welfare, strengthen employee-employer relationships and promote social and economic development.<sup>121</sup> However this section focuses on Chapter 3 and Chapter 4 of the Labor Standard Act 1984 (勞動基準法) which addresses wages, working hours, recess times and holidays of workers.

According to Article 3, this Act is applicable to the following industries: (1) agriculture, forestry, fishery and animal husbandry; (2) mining and quarrying; (3) manufacturing; (4) construction; (5) water, electricity and gas supply; (6) transportation, warehousing and telecommunication; (7) mass communication; and (8) other industries designated by the Ministry of Labor (中華民國勞動部). In terms of wages, Article 21 guarantees that wages are determined through negotiations with the employers, but they may not fall below the country's minimum wages. Article 24 regulates that the payment of overtime should be no less than one and a third times the regular hourly pay rate, and no more than two times the regular hourly pay rate.

Regular working hours, as regulated in Article 30, is eight hours per day and eighty-four hours per two weeks. Working overtime is allowed, but total overtime may not exceed forty-six hours per month (Article 32). Furthermore, Article 35 states that a worker is permitted to have a break for thirty minutes after working four continuous hours, and at least one regular off day every seven days (Article 36). Article 37 also grants recess for workers on all holidays prescribed by the Ministry of Labor (中華民國勞動部). In addition to regular off-days, workers are entitled to annual paid leave for: seven days for those who have been employed by the same employer more than one year but less than three years; ten days for those who have been employed more

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<sup>121</sup> Ministry of Labor (中華民國勞動部). "Labor Standard Act", Chapter 1 Article 1.

than three years but less than five years; and fourteen days for those who have been employed more than five years but less than ten years (Article 38). If the workers consent to work on a holiday, as stipulated in Article 39, the workers shall be paid double the regular pay rate for such work.

## **INTERNATIONAL CONVENTIONS ON HUMAN RIGHTS**

Taiwan and Indonesia share similar political development; ruled by a single-party government then slowly adopted multi-parties government in order to uphold a democracy government. As democratic countries, Taiwan and Indonesia have ratified some of the international conventions in order to take active roles in the international community.

Human rights are one of the issues in international community as it is highly related to the dignity of people in general and citizens in particular. Taiwan has been improving its account on human rights for the past few years.<sup>122</sup> Until now, Taiwan has ratified three international conventions on human rights which are the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and Convention to Eliminate All Forms of Discrimination against Women Enforcement Act.

The International Covenant on Civil and Political Rights (ICCPR) uphold the dignity of the human as persons. This covenant prohibits any forms of slavery or servitude (Article 8), accords the treatment towards human in the name of laws (Article 13, Article 14, Article 16), upholds the honor and reputation of human as persons (Article 17), recognizes the freedom of thoughts, conscience and religion as well as to practice their beliefs (Article 18 and Article 19),

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<sup>122</sup> Frederic Laplanche, "Reflecting on Taiwan human rights progress", *Taipei Times*, December 10<sup>th</sup>, 2014 (accessed from <http://www.taipeitimes.com/News/editorials/archives/2014/12/10/2003606373> on July 10, 2015 at 12:15).



equality protection of the law for all persons (Article 26). In summary, ICCPR calls for equality and freedom for human as persons in every aspects of life.

On the other hand, the International Covenant on Economic, Social and Cultural Rights (ICESCR) ensures the equal rights of men and women to the enjoyment of all economic, social and cultural rights (Article 3). Based on Article 7, the states have to provide all workers (1) fair wages and equal remuneration for work of equal value, (2) a decent living for themselves and their families, (3) safe and healthy working conditions, (4) equal opportunity for everyone to be promoted, (5) rest, leisure and reasonable limitation of working hours and periodic holidays with pay. Article 11 further recognizes the right of everyone to an adequate standard of living for himself and his family.

Convention to Eliminate All Forms of Discrimination against Women Enforcement Act (CEDAW) recognizes that women should never experience discrimination including in the field of employment (Article 11). This includes equality of employment opportunity, free choice of profession and employment, equal remuneration, social security and protection of health and safety working conditions. In addition, Indonesia has ratified International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families which shares similar provisions as ICCPR but focuses on the migrant workers and their families. However, Taiwan has not ratified this convention.

The ratified international conventions imply that Taiwan government recognizes basic rights and equal treatment to people regardless the gender, races, or religions. Taiwan government has to establish committee to ensure the implementation of the international conventions into its domestic laws and regulations. Indeed, Taiwan has made progress to improve the practice of safeguarding human rights. Nevertheless, some issues related to human



rights are still being raised, especially concerning to the working and life conditions of foreign workers.

As per the Taiwan 2013 Human Rights Report<sup>123</sup>, wages, placement fees, working hours, role of brokers, the ineffective inspection by CLA officers were the major concerns for the improvement of human rights protection. The domestic workers industry was largely controlled by brokerage agencies, including the wages as Taiwan government did not regulate the minimum wages for the aforementioned industry. The domestic workers were universally forced by brokerage agencies to take out loans which made them in highly-debt condition even before they started working. This condition had two impacts. First, the take-home pay of some domestic workers was as low as NT\$ 1,000 (US\$ 34), or 6.7% of the official poverty level. Second, the domestic workers tended to be unwilling to report abusive or exploitative employers or agencies as they feared the termination of contract which left them unable to pay back debt accrued to brokers or others.

The working hours of some foreign workers exceeded the regulated working hours (8 hours per day or 84 hours per two weeks period). They are forced to work 18-20 hours per day without paid overtime. They received substandard food, little medical care, and were not allowed to break the contract without paying hefty penalty. The NGOs have raised this concern particularly for the foreign workers who worked as fishermen and caregivers. The improper working conditions have made them vulnerable and more prone to human trafficking issues. In order to overcome this issue, the NGOs called for more active roles of CLA officers to conduct inspection. The NGOs argued that the labor inspection rate was far too low to serve as an effective deterrent against labor violations and unsafe working conditions. Labor NGOs

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<sup>123</sup> Bureau of Democracy, Human Rights, and Labor, “Taiwan 2013 Human Rights Report”, United States Department of States, February 27, 2014, (accessed from <http://www.ait.org.tw/en/2013-human-rights-report-taiwan-part.html> on July 10, 2015 at 14:21).

emphasized that Taiwan's inspector ratio was 0.27% per 100,000 workers, far below the international standard of 1.5 inspectors per 100,000 workers.

The Labor NGOs also urged the Taiwan government to lift restrictions on transfers between employers. They also criticized the implemented direct hiring system to reduce the role of brokers in Taiwanese labor market. NGOs argued that complicated procedures and restrictions on use of both the Service Center and the online service in the direct hiring system prevented the widespread implementation of such system. This reflects that even though Taiwan has ratified the International Conventions on Human Rights, further improvement on the implementation is still required. Discrimination towards foreign workers in the work force still persists and some of them do not enjoy the fulfillment of their rights. Hence, the protection of foreign workers' rights becomes the highlight in the improvement of Taiwanese labor issues.

#### **COOPERATION ON LABOR ISSUES: THE JOINT WORKING GROUP**

The Indonesian and Taiwan governments signed a Memorandum of Understanding (MoU) on January 24, 2011. This agreement is the basis for cooperating on labor issues which are realized through the Joint Working Group (JWG) meeting annually with the Indonesian Economic and Trade Office (IETO/駐台北經濟貿易代表處) and Taipei Economic and Trade Office (TETO/駐印尼台北經濟貿易代表處) as representatives of their respective governments. Since the MoU was signed until now, Taiwan and Indonesia have conducted four annual meetings with the JWG. The first JWG meeting was held in Taipei, on April 29, 2011, while the second JWG meeting was held in Bali, on September 11-13, 2012. The cooperation continued with the third JWG meeting in Taipei, on November 29, 2013, and the last one was held in Lombok, on December 6-7, 2014. During these meetings, the representatives of Indonesia and

Taiwan discussed all the labor issues in recruitment, placement and protection of Indonesian workers in order to enhance the mutual benefit for both institutions, as stated in the MoU.<sup>124</sup>

During the first JWG meeting, Taiwan and Indonesia discussed several labor issues. Regarding placement fees (仲介費), based on the JWG meeting 2011 document, Taiwan called for the reduction of bank interest rates and administration fees and reiterated that the Indonesian PPTKIS' fees may not exceed one month's salary of Indonesian workers in Taiwan. Indonesia agreed and Taiwan would assist Indonesia by lobbying the Taiwanese banks regarding the reduction of bank interest rates and administration fees. Indonesia called for the sharing of the cost of placement fees (仲介費) between Indonesian workers and Taiwanese employers. Currently, the agencies' fees for Indonesian workers is NT\$ 60,000 and borne by the Indonesian workers only. Considering that the employers were also using the services of Taiwanese agencies (台灣外勞仲介公司), Indonesia proposed that Taiwanese employers also shared the placement fees (仲介費) so that the amount of placement fees (仲介費) borne by the Indonesian workers would be reduced. Responding to this, Taiwan would revisit the rationality of placement fees (仲介費) and considered the possibility of sharing the cost.

Meanwhile regarding recruitment, based on the JWG meeting 2011 document, Taiwan called for the extension of the direct hiring system to the formal sector, after which Indonesia agreed to study this system further. On the other hand, Indonesia required all the Taiwanese agencies (台灣外勞仲介公司) to be registered at BNP2TKI, and as a reciprocal action, all the Indonesian PPTKIS had to be registered at CLA. In terms of protection, Indonesia and Taiwan agreed to establish monitoring mechanisms to follow up on the Indonesian workers' complaints.

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<sup>124</sup> Memorandum of Understanding between the Indonesian Economic and Trade Office to Taipei and the Taipei Economic and Trade Office in Indonesia on The Recruitment, Placement and Protection of Indonesian Overseas Workers. Taipei, April 29, 2011.

Since the first JWG meeting, both parties have acknowledged the issue of runaway Indonesian workers as an important matter. Therefore Taiwan imposed heavier sanctions for both Taiwanese employers and agencies that employed runaway Indonesian workers. The sanctions were not merely financial, but also involved the reduction of quotas for the employers, and disqualification of business license renewal for Taiwanese agencies (台灣外勞仲介公司) whose evaluation grades fail to reach 70. Indonesia also agreed to closely monitor Indonesian PPTKIS and impose sanctions for those that have high numbers of runaway workers. Table 14 summarizes the issues discussed in the first JWG meeting in 2011.

**Table 14. The Labor Issues Discussed in the First Joint Working Group Meeting in 2011**

No.	Issues	Results
1.	Decreased the bank interest rates and cost of administration of the placement fees.	Indonesia agreed to decrease the bank interest rates and administration fees while Taiwan will assist in lobbying Taiwanese banks.
2.	Indonesian PPTKIS fees may not exceed one month's salary of Indonesian workers.	Indonesia agreed with the regulation.
3.	Reduced the numbers of runaway Indonesian workers.	The respective governments agreed to impose stronger sanctions to Indonesian PPTKIS, Taiwanese agencies and employers. CLA issued a guidance book about the "Socialization in Employing Foreign Workers" for Taiwanese employers and "Things that Foreign Workers Should Know" for Indonesian workers.
4.	Established shared monitoring mechanisms to follow-up on Indonesian workers' complaints.	Both parties agreed to explore the possibility of establishing shared monitoring mechanisms.
5.	Established a direct hiring system for the formal sector.	Indonesia considered including the employment of Indonesian workers in the formal sectors in the direct hiring mechanism.
6.	Applied sharing of costs of placement fees between Taiwanese employers and Indonesian workers.	Taiwan explained the types and purposes of fees borne by the Indonesian workers in official correspondence.
7.	Taiwanese agencies must be registered to BNP2TKI.	Taiwan agreed with this regulation.

Source: compiled by the author from Joint Working Group Taiwan-Indonesia on Labor Issues, 2011.

The second JWG meeting in 2012 also discussed matters similar to those in the previous JWG meeting, and both institutions shared similar responses. Based on the JWG meeting 2012 document, Taiwan agreed to re-evaluate the regulations to transfer employers or jobs, and ease the procedures in order to reduce the numbers of runaway Indonesian workers. Taiwan revised its penalties for employing runaway foreign workers for Taiwanese agencies (台灣外勞仲介公司) and employers as follows:

**Table 15. Penalties for Employing Runaway Foreign Workers**

Subjects	Total Hired/Distributed Runaway Foreign Workers	Penalties
Employers	1 runaway foreign worker	NT\$ 150,000
	2-4 runaway foreign workers	NT\$ 300,000
	More than 5 runaway foreign workers	NT\$ 750,000
Agencies	1 runaway foreign worker	NT\$ 200,000
	More than 2 runaway foreign workers	NT\$ 500,000

Source: Joint Working Group Meeting Taiwan-Indonesia on Labor Issues, 2012.

The issue of salary increments for Indonesian workers in the domestic sector was raised at this meeting, but both institutions ended up agreeing to let the labor market determine salaries.

Table 16 below summarizes the issues discussed in the second JWG meeting in 2012.

**Table 16. The Labor Issues Discussed in the Second Joint Working Group Meeting in 2012**

No.	Issues	Results
1.	Reduced the numbers of runaway Indonesian workers by narrowing the Taiwanese agencies' evaluation grade and conducting socialization to the Indonesian workers by IETO.	Taiwan agreed to re-evaluate its regulations on the transfer of employers or job sector, and ease the procedure.
2.	Extended the re-entry direct hiring systems to the formal sector.	Indonesia agreed to extend the re-entry direct hiring system to the formal sector, except for fishermen.
3.	Decreased the bank interest rates and costs of administration of the placement fees.	Indonesia agreed to further approach Indonesian banks to decrease the bank interest rates and administration fees.
4.	Applied the sharing of costs of placement fees and decreased the fees	Taiwan agreed to re-evaluate the rationality of agencies' fees.

	for Taiwanese agencies.	
5.	Reduced the numbers of runaway Indonesian workers by imposing heavier sanctions.	Both institutions agreed to implement such mechanisms.
6.	Applied salary increments for Indonesian caretakers.	Both institutions agreed to let the labor market determine salaries.

Source: compiled by the author from Joint Working Group Meeting Taiwan-Indonesia on Labor Issues, 2012.

Taiwan raised similar issues at the third JWG meeting in 2013, which were the extension of the direct hiring system, reduction of bank interest rates and administration fees, and regulation of Taiwanese agencies (台灣外勞仲介公司) more firmly. In order to reduce the numbers of runaway Indonesian workers, Taiwan proposed the screening of a 30 minute socialization DVD which consisted of the rights of workers, their lifestyle, recreation places, cultural events, consulting agencies if the Indonesian workers encounter problems, safety and self-protection mechanisms, and the labor regulations in Taiwan. In response, Indonesia agreed to make the DVD screening mandatory during training.

On the other hand, Indonesia raised the issue of working hours for Indonesian caretakers. As most of the caretakers worked as live-in workers who had to be on call 24/7, this has led to the limitation of recess times due to long working hours (more than 8 hours per day). Therefore Indonesia called for Taiwan to monitor and socialize the employers so that they provide sufficient recess times for Indonesian caretakers on a daily basis. In addition, Indonesia also proposed an additional quota for Taiwanese households to employ two caretakers so that each caretaker was able to have sufficient daily recess times. In response, Taiwan would coordinate with the Ministry of Health and Welfare regarding the additional quota. Many Indonesian workers, who experienced a transfer of employer or job, complained that they were assigned to a new employer who had a quota of less than three years because they have hired foreign workers

before. Therefore Indonesian representatives raised this issue in the third JWG meeting, because the Indonesian government held the view that this system was detrimental to Indonesian workers as they were unable to work for three years. According to Taiwanese representatives, the Indonesian workers may refuse to work for an employer who has a quota of less than three years. The third JWG meeting also concluded the standardization of a job contract by including six job sectors, which were caretakers, babysitters, fishermen, factory workers, construction workers and nursing home workers. Table 17 below summarizes the issues discussed in the third JWG meeting in 2013.

**Table 17. The Labor Issues Discussed in the Third Joint Working Group Meeting in 2013**

<b>No.</b>	<b>Issues</b>	<b>Results</b>
1.	Extended the direct hiring system to the formal sector.	Indonesia agreed to extend the direct hiring system to the formal sector, except for fishermen.
2.	Decreased the bank interest rates and cost of administration of the placement fees.	Indonesia would continue to decrease the bank interest rates and administration fees.
3.	Proposed the screening of a 30 minute socialization DVD.	Indonesia agreed to include the screening of the socialization DVD as mandatory during the training for Indonesian workers.
4.	Reduced the numbers of runaway Indonesian workers.	Taiwan would keep narrowing the evaluation of Taiwanese agencies.
5.	Regulated the working hours for Indonesian caretakers so that they may have sufficient recess time.	Taiwan would improve its monitoring and socialization mechanisms towards Taiwanese employers to uphold the job contract.
6.	Increased the quota for Taiwanese employers so that they may hire two caretakers in one household.	Taiwan would consider such a mechanism and coordinate with the Ministry of Health and Welfare
7.	Re-evaluated the regulations of transferring employers who had a quota of less than three years.	Taiwan allowed Indonesian workers to refuse to work for an employer who had a quota of less than three years.
8.	Implemented the standardization of six types of work on the job contracts.	Both institutions agreed with such a mechanism.

Source: compiled by the author from Joint Working Group Meeting Taiwan-Indonesia on Labor Issues, 2013.



In the fourth JWG meeting 2014, Taiwan reiterated the importance of the extension of the direct hiring system to the formal sector. Taiwan also proposed that the Indonesian government impose financial sanctions on runaway Indonesian workers or prohibitions on working overseas, as imposed by the Vietnamese government on their runaway workers. Indonesia agreed to consider such a mechanism and both institutions also agreed to include the extension of the direct hiring system to the formal sector on the MoU the following year. Indonesia reiterated the importance of allowing Indonesian workers to have an off-day once one week, and the sharing of the cost of placement fees. Indonesia also urged Taiwan to increase the wages of Indonesian caretakers because the pay had remained unchanged since 1997. Nonetheless, Taiwan and Indonesia did not reach a consensus on the increase of Indonesian caretaker salaries and the sharing of the cost of placement fees. Table 18 below summarizes the issues discussed in the fourth JWG meeting.

**Table 18. The Labor Issues Discussed in the Fourth Joint Working Group Meeting in 2014**

No.	Issues	Results
1.	Extended the direct hiring system to the formal sector.	Both institutions agreed to include the extension of the direct hiring system on the MoU next year.
2.	Reduced the numbers of runaway Indonesian workers.	Taiwan imposed heavier sanctions and Indonesia would consider imposing sanctions on the runaway Indonesian workers.
3.	Increased salary for Indonesian caretakers and housemaids.	No consensus was reached.
4.	Applied the sharing of the cost of placement fees between Taiwanese employers and Indonesian workers.	No consensus was reached.
5.	Imposed sanctions on Taiwanese employers who did not allow Indonesian workers to have an off-day once a week.	Taiwan agreed to further discuss such a mechanism.

Source: compiled by the author from Joint Working Group Meeting Taiwan-Indonesia on Labor Issues, 2014.



## ANALYSIS

Findings in the previous chapter show that there are three main reasons that cause Indonesian workers to run away. First is **an uncomfortable work environment** due to mismatched and overloaded work and limited holiday/recess time. Second is **low take-home pay** due to relatively low wages in the legal labor market, especially for domestic workers, and excessive placement fees, especially during the first year of the contract. Based on the result of focus group studies, the average wages that an Indonesian caretaker received was NT\$ 15,840 per month with various deductions during their first year. Meanwhile, the runaway Indonesian caretakers may receive NT\$ 20,000 to NT\$ 23,000 per month as their take-home pay in the illegal labor market. The wage differences of approximately NT\$ 5,000 was appealing enough for Indonesian caretakers to run away. Last is **the role of brokers** of the Taiwanese agencies (台灣外勞仲介公司) and Indonesian PPTKIS in facilitating the Indonesian workers' needs, e.g. providing comprehensive information or dispute settlement assistance.

Substantively, types of work, holiday/recess times, and minimum wages are regulated by Taiwan's Labor Standard Act 1984 (勞動基準法). However, this Act excludes domestic workers, so they are unable to enjoy all the provisions under its protection. This condition then makes the domestic workers the most vulnerable workers in Taiwan's labor market. This is supported by the results of a survey that showed that 61.54% of respondents previously worked as caretakers before they ran away. Currently, all the working conditions for domestic workers are based on the job contract only. The negotiations conducted between Taiwanese agencies (台灣外勞仲介公司) and Indonesian workers have left the latter with little choice about their working conditions. As live-in workers, Indonesian caretakers work more than eight hours per day, and some of them do not enjoy holidays or have sufficient recess time, and their average wages have

not been increased since 1997 because there is not a legally binding framework requiring wages increments for Indonesian caretakers. In the end, the Indonesian workers are left with no option but to accept the work.

The excessive placement fees (仲介費) are incurred due to the restrictive guest worker policies implemented by the Taiwan government for foreign workers. As most Indonesian workers obtain jobs in Taiwan through the Taiwanese agencies (台灣外勞仲介公司), they have to pay the agency fees, which are set by the Ministry of Labor (中華民國勞動部), as stipulated in Article 35 of the Employment Service Act 1992 (就業服務法). The restrictive policies also include the health examination and quota system (配額制度) according to Article 58, fixed-term contracts (Article 52), and regulations concerning transferring employers or changing jobs (Article 59).

Taiwanese employers and agencies are also subject to similar restrictive policies. Before obtaining approval from the Ministry of Labor (中華民國勞動部), the local employers have to announce the vacancies publicly (Article 47) and pay employment security fees (就業安定費) (Article 55). Commanding unskilled workers to change work placements without the approval from the Ministry of Labor (中華民國勞動部) is highly prohibited and, when caught on site, may incur punishment for the local employers. The Taiwan government also imposes harsh punitive measures on Taiwanese employers and agencies whose imported foreign workers ran away from work sites. These require Taiwanese employers and agencies to undergo complicated procedures to hire or provide foreign workers. In order to avoid the complicated procedures, some of the Taiwanese agencies (台灣外勞仲介公司) are ignoring Indonesian workers who would like to change jobs or employers, resulting in one of the major reasons for Indonesian workers to run away. The restrictive policies are aimed to protect the interests of local workers,

e.g. employment opportunities, economic development and social stabilities, while also allowing foreign workers to work legally in Taiwan.

Meanwhile, the Indonesian policies focus on preparing the Indonesian workers before they depart for Taiwan. Therefore, the provisions of the regulations emphasize the complete information distribution to the Indonesian workers by the Indonesian PPTKIS. The main purpose of the Indonesian regulations is to ensure that the Indonesian workers fully understand the working conditions and labor regulations in Taiwan. This makes the Indonesian and Taiwanese policies essentially incompatible, because each addresses a different purpose. Nonetheless, the role of Taipei and Jakarta is crucial in ensuring the Indonesian workers' welfare. As the sending country, Indonesia has to provide protection for Indonesian citizens, e.g. the fulfillment of Indonesian workers' rights and provide assistance of dispute settlement. On the other hand, Taiwan, as the host country, has to ensure supportive working conditions and the Indonesian workers' rights through policies and regulations that safeguard the workers' rights. Indeed the local NGOs have urged the Taiwan government to improve protection towards the unskilled foreign workers as discussed in the Taiwan 2013 Human Rights Report. When Taiwan policies are unable to do so, cooperation on labor issues between Indonesian and Taiwan governments then becomes important in order to resolve the issues emerging due to the incompatible policies, particularly runaway Indonesian workers.

The current cooperation is implemented through JWG meetings that have occurred since 2011, where the Indonesian and Taiwan governments raise and discuss labor-related issues. The Indonesian government has raised the importance of granting off-days for Indonesian caretakers. The Taiwan government responded by further conducting socializations for Taiwanese employers on that particular issue. Indonesia also proposed an additional quota for Taiwanese

employers so they may hire two caretakers in one household in order to ensure that they have sufficient recess time. However, there no legal framework was agreed or established to address the types of work and off-days for Indonesian workers.

In dealing with wages and placement fees issues, Indonesia and Taiwan have agreed to reduce the bank interest rates and cost of administration fees of placement fees. Nevertheless, the Indonesian workers still feel that the deduction of placement fees on their wages is still excessive. When Indonesia proposed the sharing of cost of placement fees between Indonesian workers and Taiwanese employers, Taiwan seemed to be reluctant towards such a scheme. A new mechanism needs to be discussed to reduce the excessive placement fees as the current strategy is still ineffective. The issue of wages increments for Indonesian caretakers was also raised by the Indonesian government, but no consensus was reached between the Indonesian and Taiwan governments.

To respond to the issue of runaway Indonesian workers, both Taiwan and Indonesia only agreed to impose heavier sanctions for Taiwanese agencies (台灣外勞仲介公司), employers, Indonesian PPTKIS and Indonesian workers. The issue of easing the procedures to transfer employers or jobs was also raised in the JWG meeting, but no policy was revised by the Taiwan government. Instead, Taiwan proposed the promotion and extension of the direct hiring system since the first JWG meeting in 2011. These strategies are merely scratching the surface of runaway workers issues, rather than coping with the roots of the issues.

To reduce the numbers of runaway Indonesian workers, both Indonesia and Taiwan have to establish a legal framework to guarantee the rights and welfare of Indonesian workers. For instance, the standardization of job contracts need to be agreed on, which consists of working hours, sufficient recess times, off-days, annual leave, specific types of work, and minimum

wages. Subsequently, the policies or regulations corresponding to the aforementioned issues must be established by the Indonesian and Taiwan government in order to enforce the agreement to all of the stakeholders.

Taiwan also needs to re-evaluate its guest worker policy as it puts Indonesian workers under a stringent control regime. A reduction or new scheme of placement fees (仲介費) has to be implemented so that Indonesian workers do not bear all of the costs. In turn, Indonesian workers may be able to receive a higher take-home pay. The procedures to hire foreign workers and transfer jobs need to be eased as well so that Taiwanese employers and agencies do not feel that they have to undergo such complicated procedures. Along with that, the extension of the direct hiring system should be implemented in order to reduce the role of brokers in Taiwan's labor market. The new arrangement would give Indonesian workers more options to work legally, as well as more leverage to negotiate on an equal basis with their employers. Certain mechanisms of maintaining the welfare of Indonesian workers conducted by the Taiwanese agencies (台灣外勞仲介公司) should also be established in order to improve their role. One of the possible mechanisms is to stay in touch with Indonesian workers periodically through visits or phone calls.

Furthermore, Indonesia and Taiwan need to enhance their cooperation by establishing joint monitoring mechanisms for the reception and settlement of complaints made by Indonesian workers. Taiwanese agencies (台灣外勞仲介公司), BLA 1955 services, and IETO, who have the authority to do so, work separately and cooperate only if they perceive it to be necessary. This then procrastinates the process of assistance for the Indonesian workers, which in turn makes the Indonesian workers feel more pressured by their problems. If joint monitoring mechanisms, that involved Taiwanese agencies (台灣外勞仲介公司), BLA 1955 services and

IETO, are established, the procedures to assist the Indonesian workers will be eased and shortened, as all relevant stakeholders are informed and involved.



## CHAPTER 5

### CONCLUSION

The situation of foreign workers is a multi-faceted issue involving various actors, interests, and aspects. Allowing foreign workers to work legally in the host state's jurisdiction may result in various consequences. In Europe, the implementation of guest worker policy created ethnic minorities in European community, which affected the social stability of European communities. Learning from such lessons, Asian countries, including Taiwan, have imposed highly restrictive guest worker policies from the very beginning. The objective is to avoid the creation of an ethnic minority which may jeopardize social stability. Nonetheless, the guest worker policies implemented in Asia have raised other issues. In Taiwan, the issue of runaway foreign workers is most crucial.

Various studies have been conducted, most of them addressing Taiwan's restrictive guest worker policy as the main cause of runaway foreign workers. Acknowledging that the issue of foreign workers is a multi-faceted one, this thesis aims to seek the root causes of runaway Indonesian workers in Taiwan by identifying their rationales, and analyzing the policies and cooperation between Indonesia and Taiwan. This thesis argues that **Taiwan's guest worker policy, and ineffective cooperation between Indonesia and Taiwan have imposed excessive burdens on Indonesian guest workers, hence contributing inadvertently to the relatively high number of missing Indonesian workers in Taiwan.**

Based on the results of the survey, there are three main variables that have influenced Indonesian workers to run away from their legal employers. First, **uncomfortable work environments**, which include mismatched work conditions, overwork, and limited holidays and

break times for Indonesian workers. Second is **low take-home pay** due to relatively low wages in the legal labor market compared to the illegal labor market, along with excessive placement fees (安置費) during the first year of contracts. Last is **the role of brokers** in providing comprehensive information and facilitating dispute settlements when Indonesian workers encounter problems in their working environments. This thesis then connects the policies and cooperation between Indonesia and Taiwan on these particular issues.

I find that Indonesian and Taiwanese policies towards Indonesian workers are essentially incompatible because both sides address different objectives. The objective of Jakarta is to develop and protect Indonesian workers at the same time. Meanwhile, Taipei emphasizes the protection of its citizens by avoiding any perils against the interests of the Taiwanese people with the presence of Indonesian workers in their society. Therefore, the Taiwan government imposes stringent policies for the employment of foreign workers. When such policies cannot protect the rights of Indonesian workers, it then becomes important to resolve labor issues emerging from incompatible policies through cooperation.

The framework of cooperation between Indonesia and Taiwan exists through the Joint Working Group (JWG) Meeting since 2011. However, the JWG Meetings are unable to address the root causes of runaway Indonesian workers. For instance, Indonesia and Taiwan agreed to reduce interest rates and administration fees in order to reduce placement fees (仲介費). Considering that Indonesian workers still felt unsatisfied with their take-home pay due to the intensive wages cuts during the first year of their contracts, this strategy was unable to overcome the aforementioned problem. Similarly, Indonesia and Taiwan were unable to reach consensus in the sharing of costs in placement fees (仲介費) and wages increment for Indonesian caretakers. The JWG Meetings also did not address the absence of a legal framework to guarantee the rights



and obligations of domestic workers. Instead, Taiwan agreed to conduct socialization to Taiwanese employers in order to emphasize the importance of holidays and sufficient rest times for Indonesian caretakers. The issue of transfer jobs was raised by the Indonesian government, but no policy was revised to ease the procedure. Instead, the Taiwan government proposed the direct hiring system to reduce the role of Taiwanese agencies. Responding to the issue of runaway workers, both governments agreed to impose heavier sanctions towards all stakeholders who were involved in providing or employing runaway Indonesian workers. However, these strategies are merely scratching the surface of the issue rather than dealing with the root causes.

Previous studies on runaway foreign workers in Taiwan emphasized the Taiwanese guest worker policy as the main cause for such issues. The findings in this thesis propose that it is not merely the Taiwanese guest worker policy that causes the relatively high number of runaway Indonesian workers. The inability of the Indonesian and Taiwan governments to establish effective cooperation in guaranteeing the welfare of Indonesian workers, particularly domestic workers, also contributes to the dilemma.

In order to overcome the root causes of runaway Indonesian workers, I argue that Taiwan needs to revisit its guest worker policy so that Indonesian workers can negotiate with their Taiwanese employers on an equal basis. This issue has been raised by the local NGOs and academics. In addition, the cooperation between Indonesia and Taiwan needs to establish a legal framework that guarantees and protects the rights of Indonesian workers, particularly those in domestic sectors. This will enable Indonesian workers to enjoy sufficient rest times, holidays, and wages. Hence, Jakarta and Taipei must deal with the root causes of runaway Indonesian workers.

Future research is necessary to enrich the findings on this particular issue. A comparative research on the implementation of guest worker policies between two host states, or analyzing the cooperation on labor issues between Taiwan and other sending states can be carried out. Thus, more applicable strategies to overcome the issue of runaway foreign workers may be further explored.



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## APPENDIX I

### QUESTIONNAIRE FOR MASTER'S THESIS

The purpose to conduct the survey is to get first-hand answers from runaway Indonesian workers regarding their reasons to run away from their legal employers. All the information in this questionnaire will be kept confidential and used for the purpose of thesis' research only.

#### RESPONDENT'S PERSONAL DATA

1.	Sex	a. Male b. Female
2.	Origin in Indonesia	a. West Java b. Central Java c. East Java d. West Nusa Tenggara e. Lampung f. West Kalimantan g. Central Kalimantan h. East Kalimantan i. Southern Kalimantan j. Others
3.	Working area during legal work	a. Northern (Taipei, New Taipei City, Yilan) b. Central (Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Nantou, dan Hualien) c. Southern (Yunlin, Chiayi, Tainan, Kaohsiung, Taitung, dan Pingtung)
4.	Age	a. 18-22 years old b. 23-27 years old c. 28-32 years old d. 33-37 years old e. Above 38 years old
5.	Last Education	a. Elementary School b. Junior High School c. Senior High School
6.	Types of Job during Legal work	a. Caretakers b. Baby sitters c. Housemaids

		d. Factory Workers e. Fishermen f. Nursing Homes g. Construction workers
7.	Duration of Work Legally	a. Less than 1 (one) year b. 1 (one) year c. 2 (two) years d. 3 (three) years
8.	Duration of Stay in Taiwan	a. Less than 1 – 3 years b. 4 – 6 years c. 7 – 9 years d. 10 – 12 years e. More than 12 years
9.	Why did you decide to work to Taiwan?	a. The offer of higher salary than in Indonesia b. Had a relative worked in Taiwan before c. Being invited by friends d. Being invited by husband or wife e. Sought for working experiences f. Improved family's economic condition g. Others: .....

### **TYPES OF WORK**

- Was your job description during your legal work time in accordance with the job contract?
  - Yes
  - Sometimes
  - No
- Was the amount of your job during your legal work time in accordance with the job contract?
  - Yes
  - Sometimes
  - No
- Did you feel that your legal job exceeds your capability?
  - Yes
  - Sometimes
  - No

## **HOLIDAY / RECESS TIMES**

1. Did you have time to exercise your religion activity during your legal work time?
  - a. Yes
  - b. Sometimes
  - c. No
  
2. Did you have the chance to communicate/meet with other Indonesian workers during your legal work time?
  - a. Yes
  - b. Sometimes
  - c. No
  
3. How did you maintain contact with fellow Indonesian workers during your legal work time in Taiwan?
  - a. At the park with the care recipient
  - b. At Indonesian stores when going shopping
  - c. At the mosque
  - d. At Taipei Main Station once a week
  - e. Through social media only (facebook or chatting)
  - f. At the hospital with the care recipient
  - g. Others: .....
  
4. Did you have the chance to communicate with your family in Indonesia during your legal work time?
  - a. Yes
  - b. Sometimes
  - c. No

5. How often did you communicate with your family in Indonesia?
- a. Every day
  - b. Once a week
  - c. Twice a week
  - d. Three times a week
  - e. Every two weeks
  - f. Once a month
  - g. Never
6. Did you have sufficient recess time in a day during your legal work time (6 to 8 hours / day)?
- a. Yes
  - b. Sometimes
  - c. No
7. Did you have an off-day from your legal employer?
- a. Yes
  - b. Sometimes
  - c. No
8. During your legal work time, were you allowed to have cellphone?
- a. Yes
  - b. No
9. Did you feel pressured during your legal work time?
- a. Yes
  - b. No

## **WAGES**

1. During your legal work time, have you ever experienced any unpaid salary?
  - a. Yes
  - b. Sometimes
  - c. No
2. Did your legal Taiwanese agency ever deduct your salary beyond the applicable regulations?
  - a. Yes
  - b. Sometimes
  - c. No
3. Was your salary during your legal work time in accordance with your expectation?
  - a. Yes
  - b. No
4. How much was your salary as a runaway worker?
  - a. Below NT\$ 20,000
  - b. NT\$ 20,000 – NT\$ 23,000
  - c. NT\$ 24,000 – NT\$ 27,000
  - d. NT\$ 28,000 – NT\$ 32,000
  - e. Above NT\$ 32,000

## **PLACEMENT FEES**

1. Was your salary during your legal work time in accordance with the information provided by Indonesian PPTKIS or Taiwanese agency?
  - a. Yes
  - b. No
2. How much was the agency fee that you need to pay as a runaway worker?
  - a. Below NT\$ 1,000
  - b. NT\$ 1,000

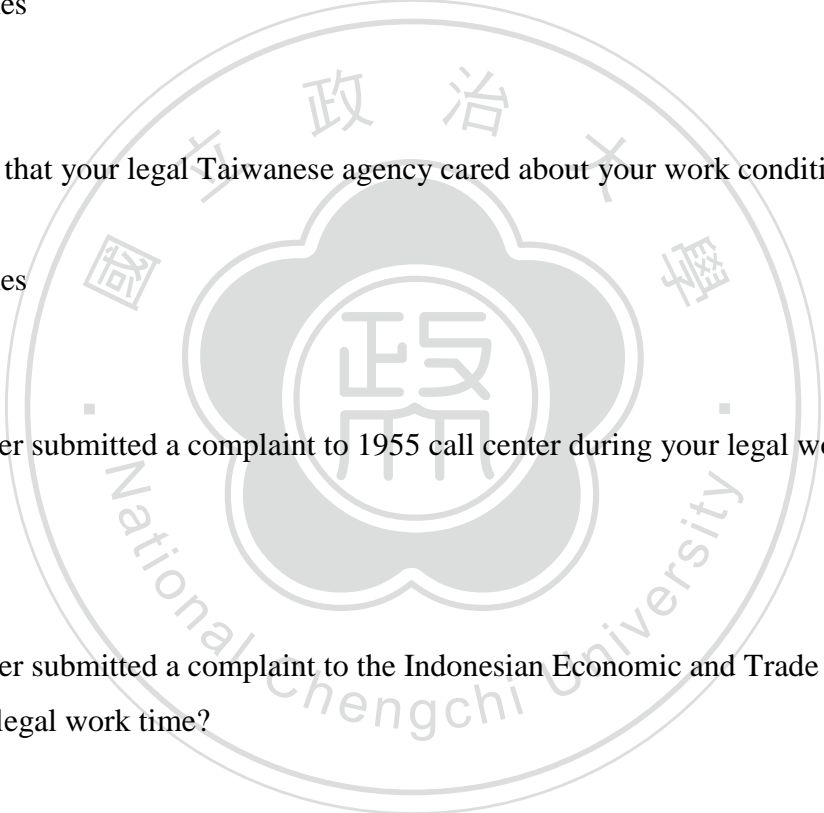
- c. NT\$ 2,000
- d. NT\$ 3,000
- e. Above NT\$ 3,000

### **INFORMATION DISSEMINATION**

1. Was Indonesian PPTKIS provided you with Taiwanese labor-related information during your training or pre-placement time in Indonesia?
  - a. Yes
  - b. No
2. Was Taiwanese agency provided you with the applicable Taiwanese labor regulations during your legal work time in Taiwan?
  - a. Yes
  - b. No

### **SUPPLEMENTARY QUESTIONS**

1. Have you ever encountered any problems with your legal employer?
  - a. Yes
  - b. Sometimes
  - c. No
2. Have you ever had miscommunication or language barrier with your legal employer or Taiwanese agency?
  - a. Yes
  - b. Sometimes
  - c. No
3. Have you ever experienced physical abuse from your legal employer?
  - a. Yes
  - b. Sometimes
  - c. No

- 
4. Have you ever experienced sexual harassment from your legal employer?
- a. Yes
  - b. Sometimes
  - c. No
5. Have you ever encountered any problems with your legal Taiwanese agency?
- a. Yes
  - b. Sometimes
  - c. No
6. Did you feel that your legal Taiwanese agency cared about your work condition?
- a. Yes
  - b. Sometimes
  - c. No
7. Have you ever submitted a complaint to 1955 call center during your legal work time?
- a. Yes
  - b. No
8. Have you ever submitted a complaint to the Indonesian Economic and Trade Office (IETO) during your legal work time?
- a. Yes
  - b. No
9. Have you ever submitted a complaint to Taiwanese legal agency during your legal work time?
- a. Yes
  - b. No

10. How did you solve a problem during your legal work time?
- Tried to solve it directly with the employer in amicably manner
  - Shared the problems with friends
  - Reported to Taiwanese agencies
  - Reported to IETO
  - Reported to 1955
  - Did nothing
11. Why did you decide to run away from your legal employer?
- Uncomfortable with the legal work
  - Tempted with higher salary offered
  - Difficulty in adapting with the legal working environment
  - Tight regulations during legal work
  - Persuaded by fellow runaway Indonesian workers
  - Persuaded by Taiwanese illegal agencies
  - Excessive placement fees
  - Had a plan to run away since the beginning
  - Others: .....
12. Did you experience any differences as a legal and illegal worker in Taiwan?
- I was more flexible to arrange working schedule when I was working as a runaway worker than working legally
  - I was more flexible to choose type of jobs when I was working as a runaway worker than working legally
  - I was more flexible to arrange my off-days when I was working as a runaway worker than working legally
  - I received higher salary when I was working as a runaway worker than working legally
  - I felt worried working as a runaway worker
  - Others: .....

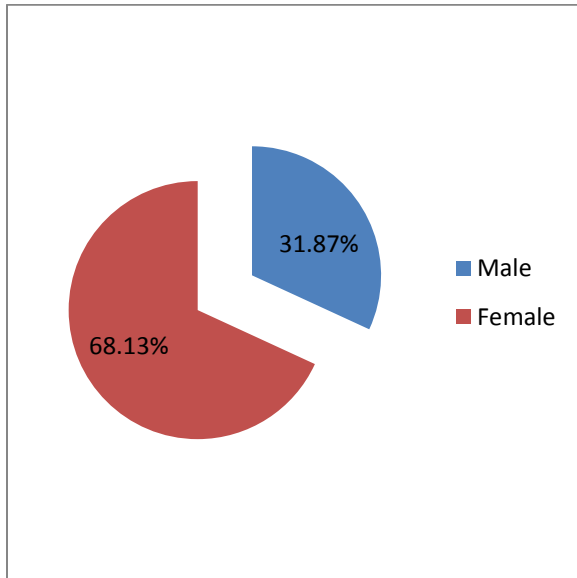


13. How did you get the job information during your illegal work time?
- a. Through fellow Indonesian workers
  - b. Through Taiwanese illegal agencies
  - c. I got the job by myself
  - d. Others: .....
14. How did you get the information of illegal Taiwanese agency that distributes runaway foreign workers?
- a. From friends
  - b. Through facebook
  - c. From Taiwanese legal agencies
  - d. From a taxi driver
  - e. From a stranger who offered the job
  - f. Others: .....
15. What was your job as a runaway worker?
- a. As a caretaker
  - b. As a baby sitter
  - c. Worked at a restaurant
  - d. As a housemaid
  - e. Worked at karaoke place
  - f. Worked at massage parlor
  - g. As a commercial sex worker
  - h. As a factory worker
  - i. As a construction worker
  - j. Worked at a plantation
  - k. Others: .....
16. How did you end up in the Detention Center?
- a. I was captured by the local authority
  - b. I surrendered to the local authority

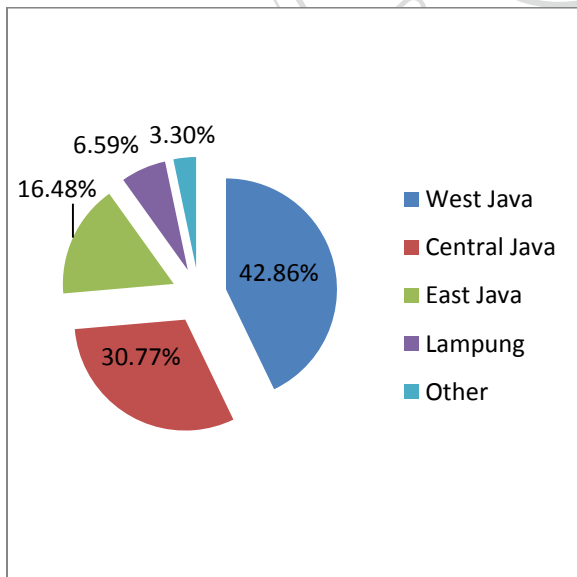
## RESULTS OF SURVEYS

### RESPONDENT'S PERSONAL DATA

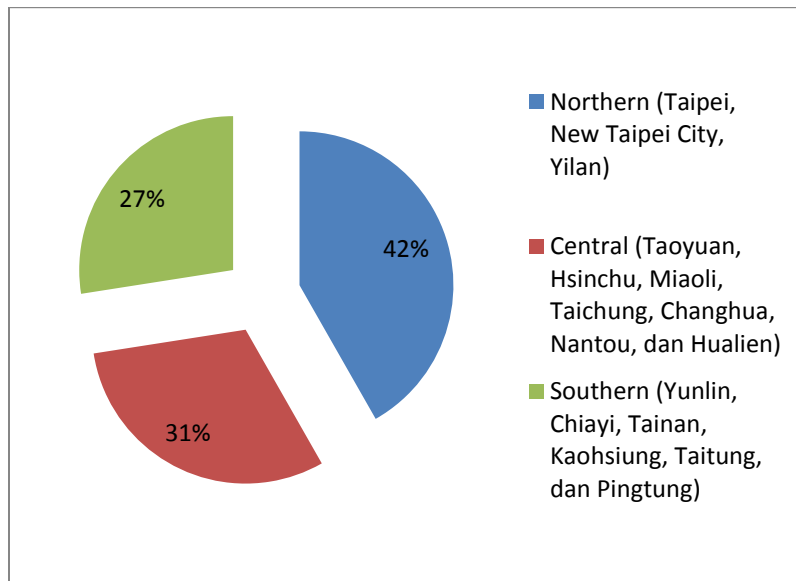
#### 1. Respondents' Sex



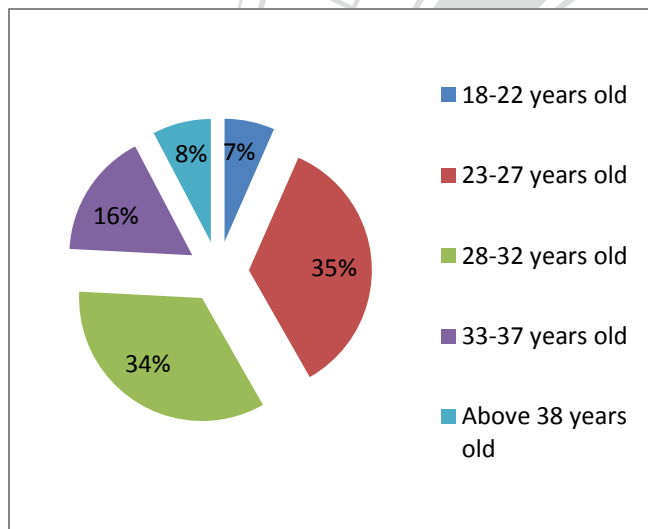
#### 2. Respondents' Origin in Indonesia



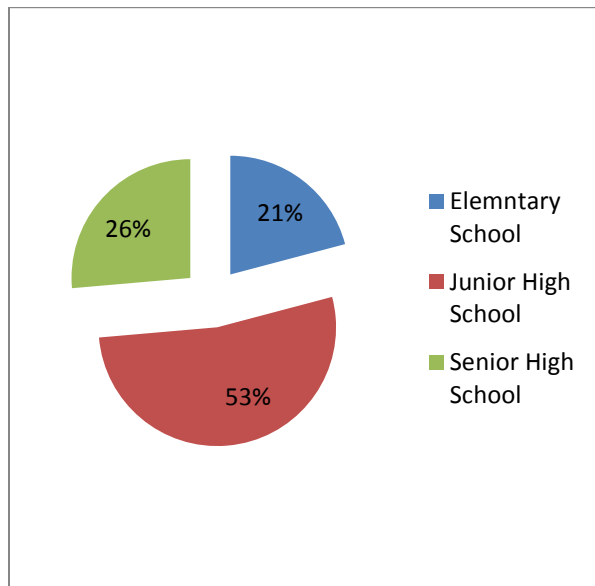
### 3. Respondents' Working Area during Legal work



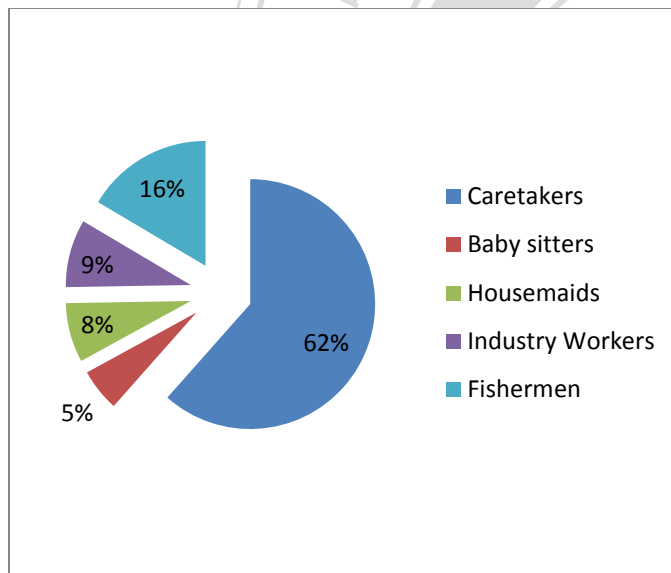
### 4. The Age of Respondents



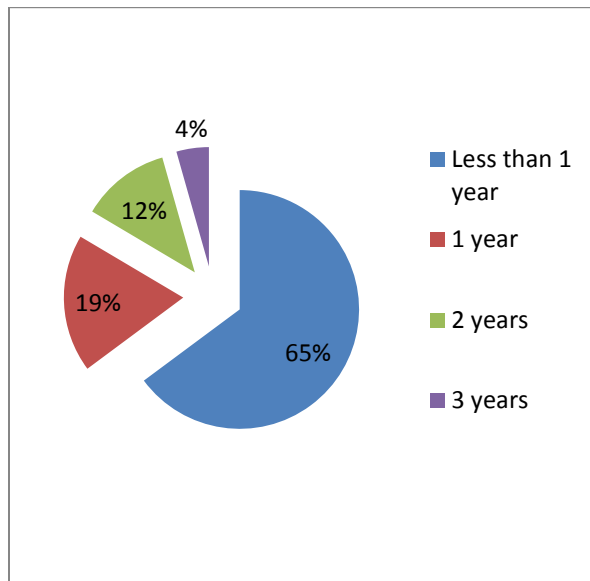
## 5. The Last Education of Respondents



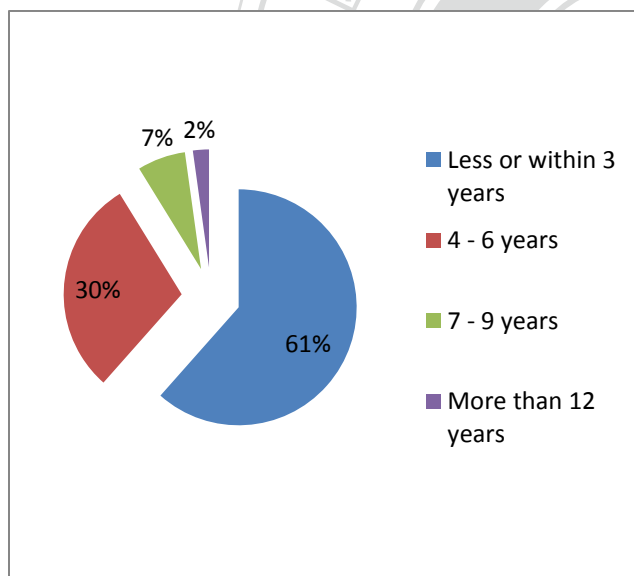
## 6. Respondents' Types of Job during Legal work



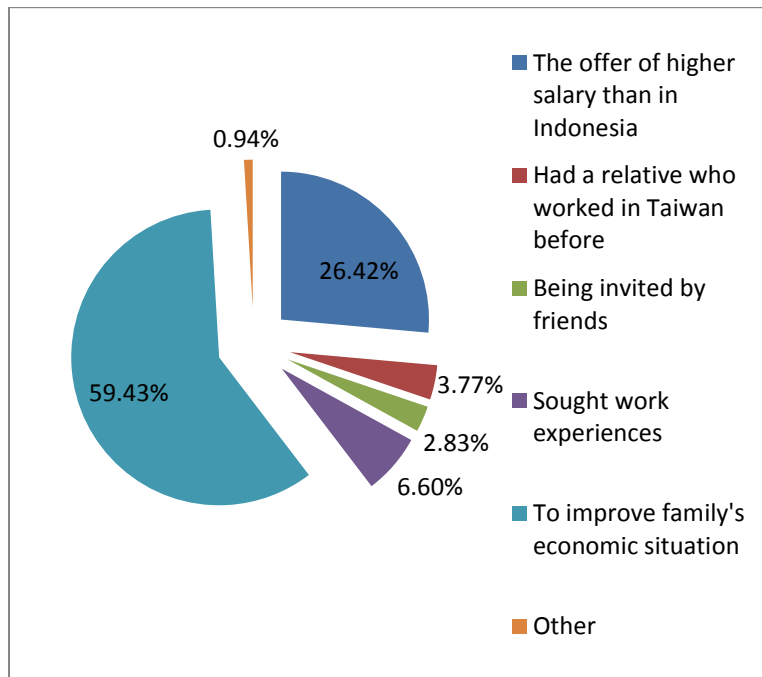
### 7. Respondents' Duration of Work Legally



### 8. Respondents' Duration of Stay in Taiwan

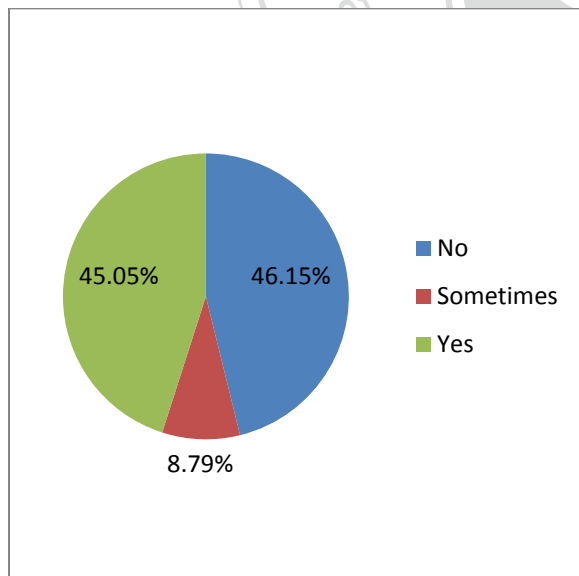


## 9. Indonesian Workers' Reason to Work in Taiwan

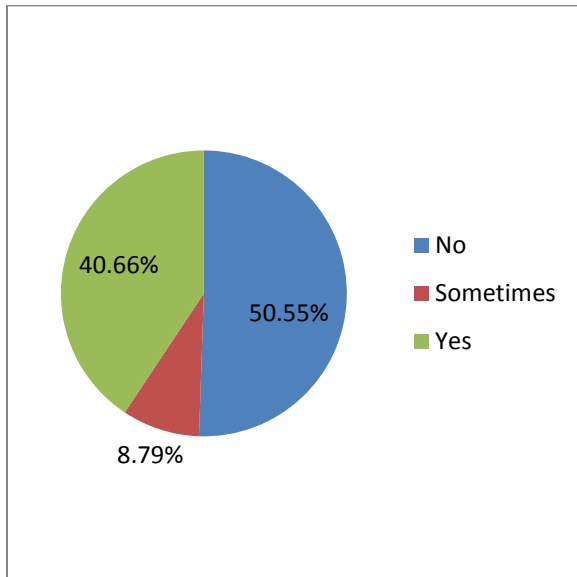


## TYPES OF WORK

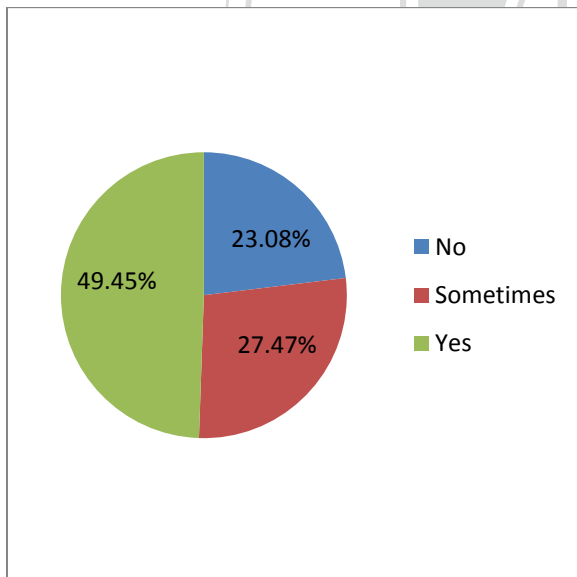
1. Runaway Indonesian workers' who felt their job descriptions during legal work were not in accordance with the job contract



2. Runaway Indonesian workers' who felt that their amount of job during legal work was not in accordance with the job contract

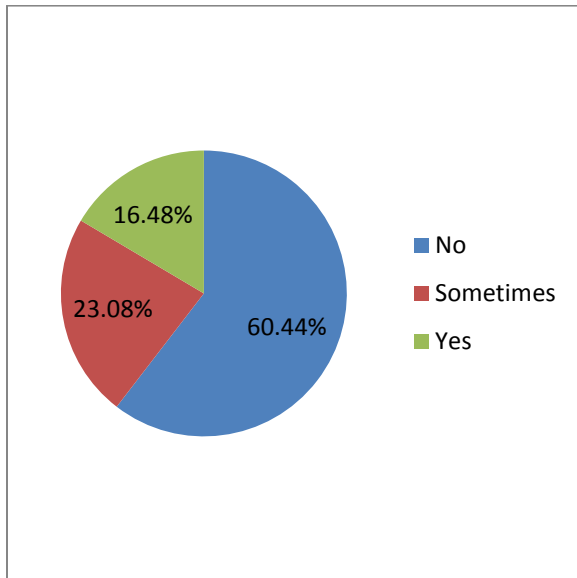


3. Runaway Indonesian workers who felt that their legal job exceeded their capability

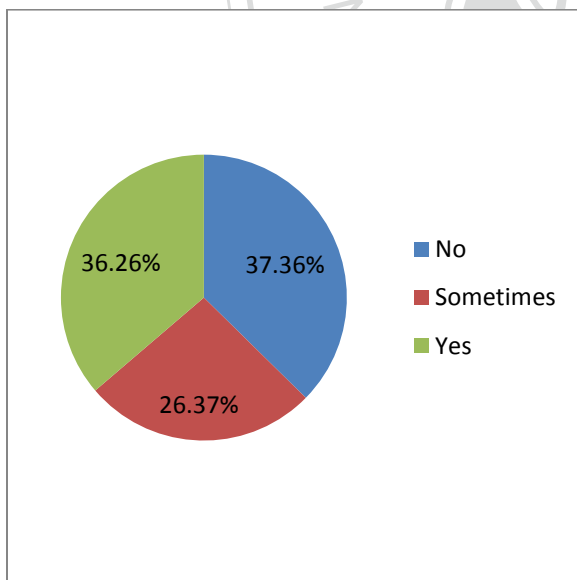


## HOLIDAY / RECESS TIME

1. Runaway Indonesian workers who did not have time to exercise religion activity during legal work

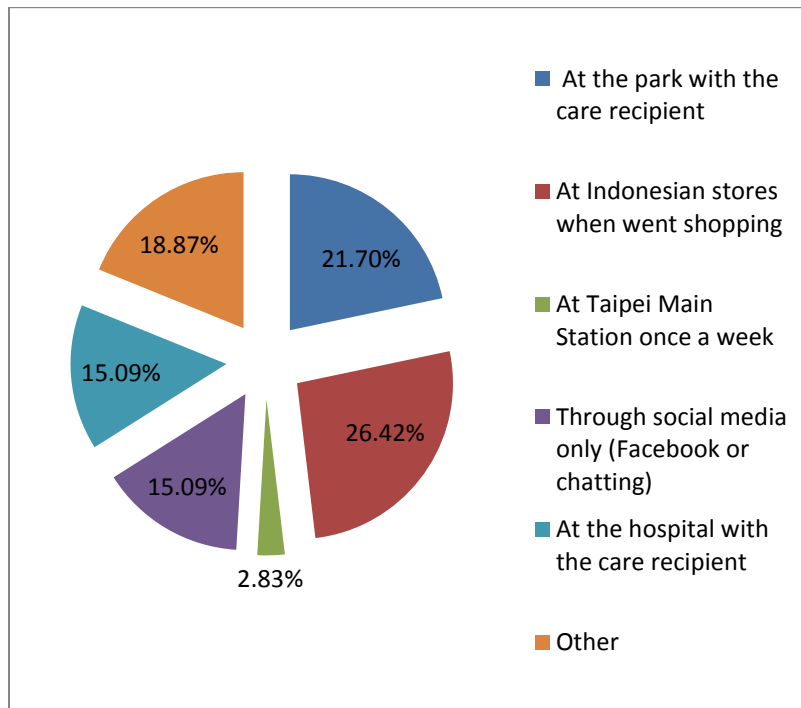


2. Runaway Indonesian workers who had the chance to communicate/meet with other Indonesian workers during legal work

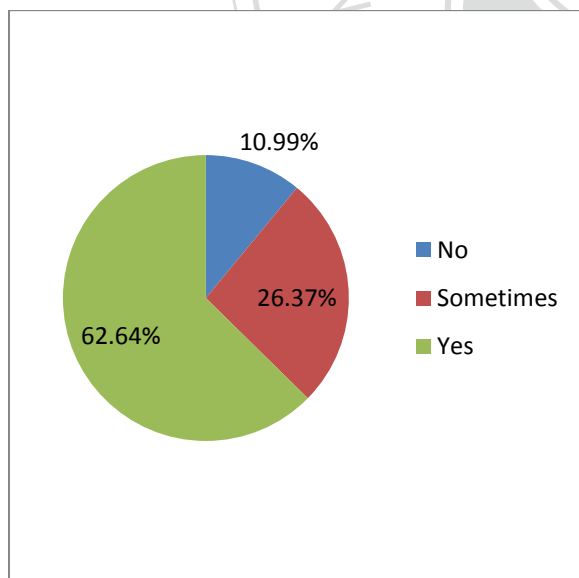




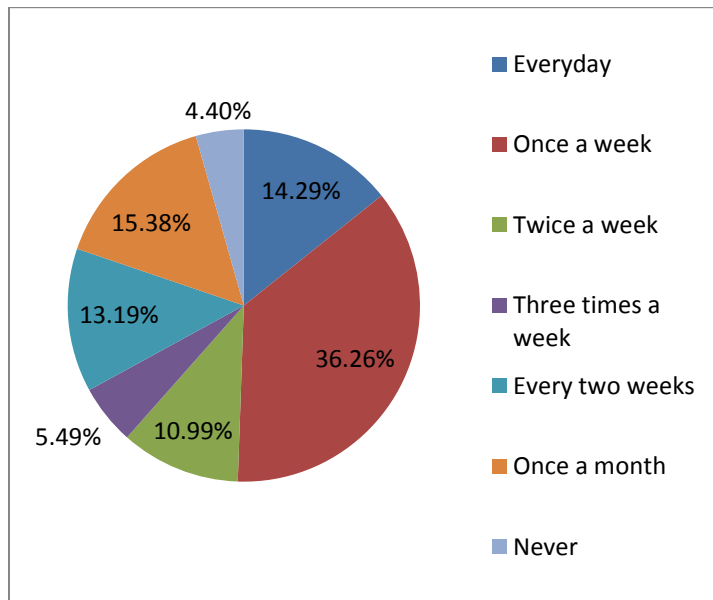
3. Means of contact with fellow Indonesian workers during legal work in Taiwan



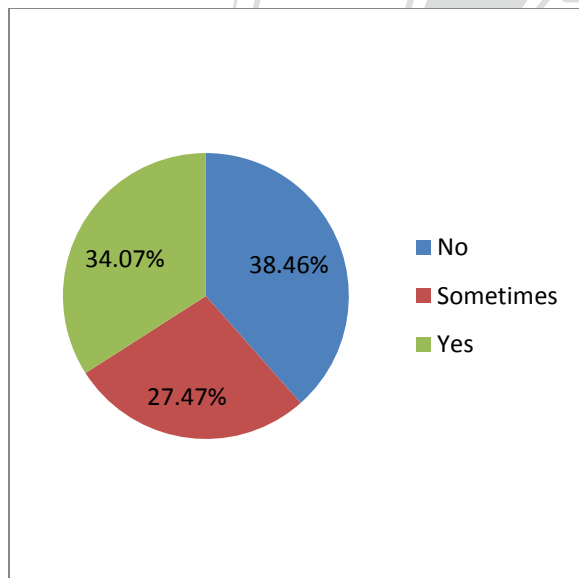
4. Runaway Indonesian workers who had the chance to communicate with their family in Indonesia during legal work



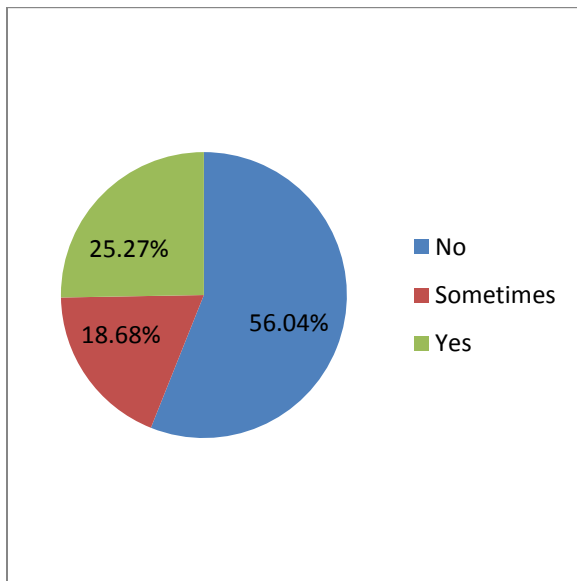
5. The frequency of communication between Indonesian workers and their family



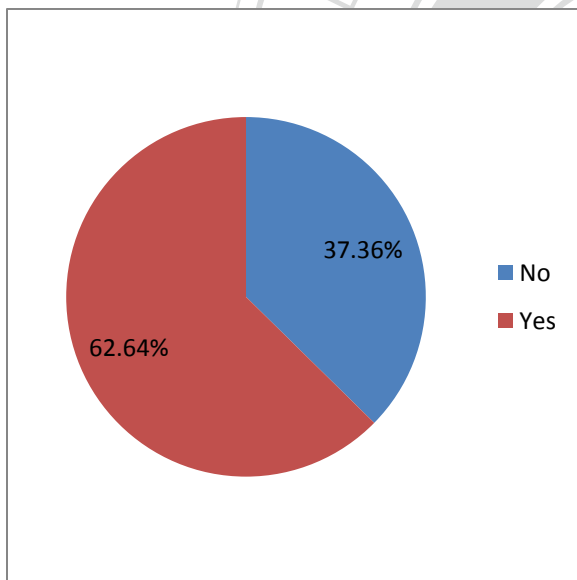
6. Runaway Indonesian workers who had sufficient recess time in a day during legal work



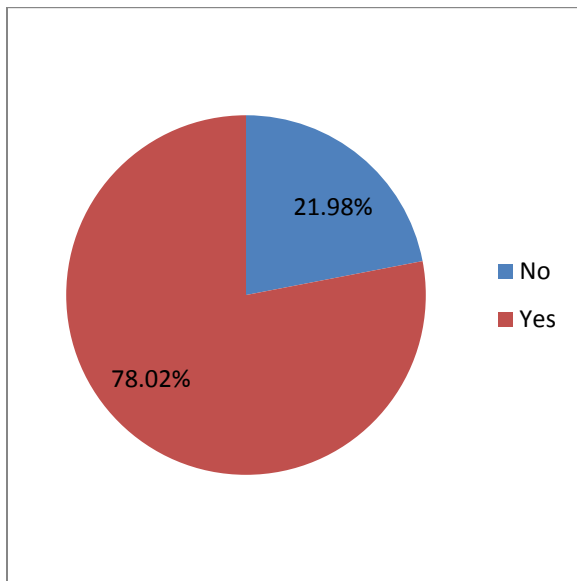
7. Runaway Indonesian workers who had an off-day from their legal employers



8. Runaway Indonesian workers who were allowed to have cellphone during legal work

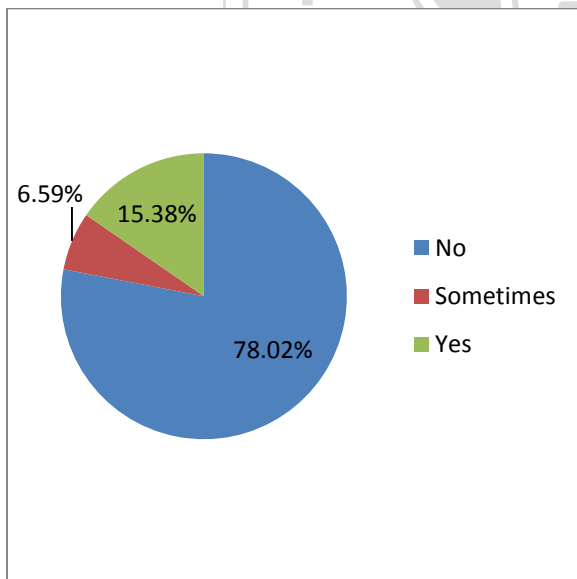


9. Runaway Indonesian workers who felt pressured during legal work

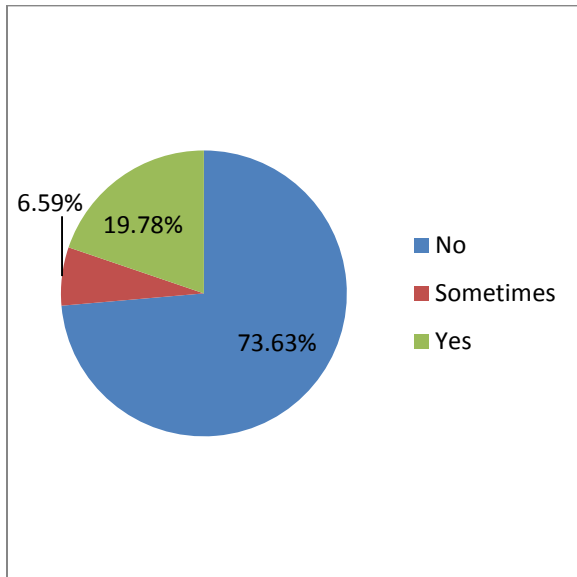


**WAGES**

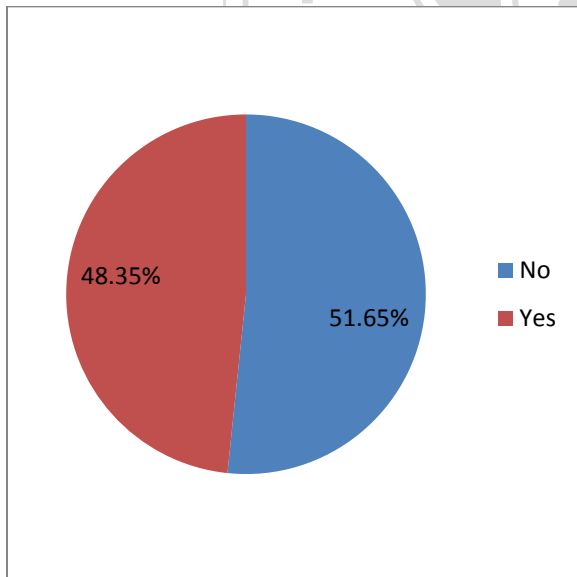
1. Runaway Indonesian workers who had ever experienced any unpaid salary during their legal work



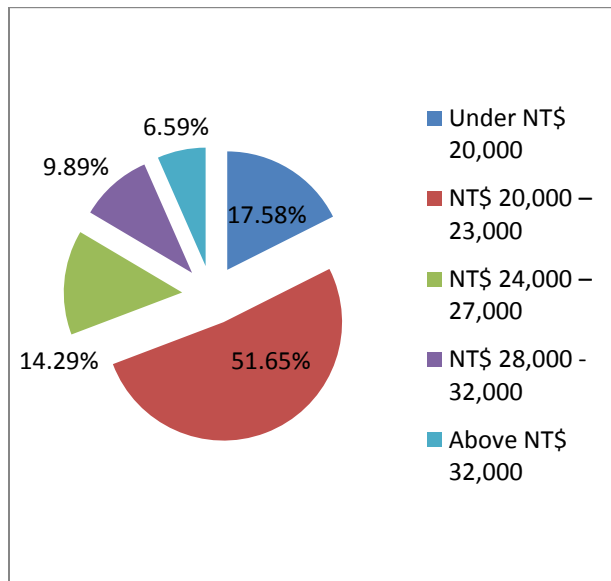
2. Runaway Indonesian workers who had ever experienced salary deduction beyond the applicable regulations by the legal Taiwanese agencies



3. Runaway Indonesian workers who felt whether their salary during legal work was in accordance with their expectation or not

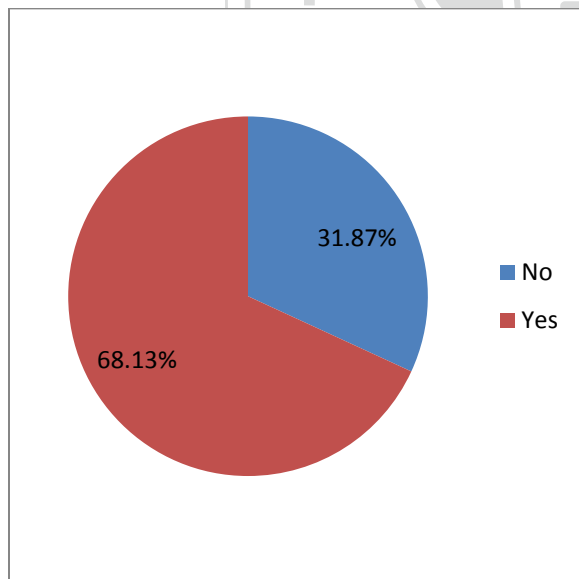


#### 4. Proportions of salary as runaway workers

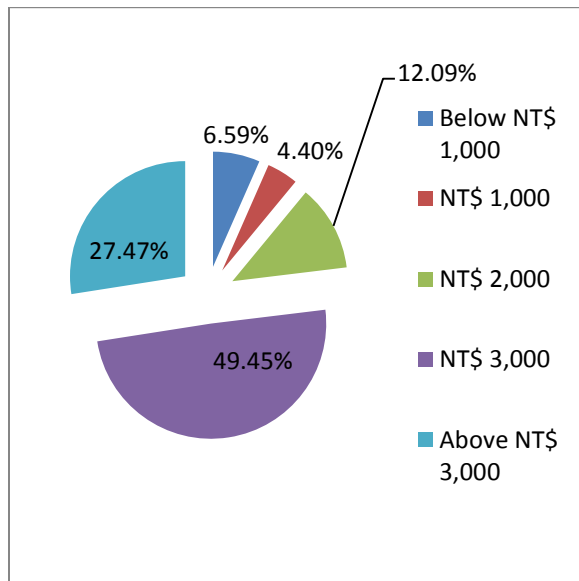


#### PLACEMENT FEES

1. Runaway Indonesian workers who felt whether their salary during legal work was in accordance with the information provided by Indonesian PPTKIS or Taiwanese agency

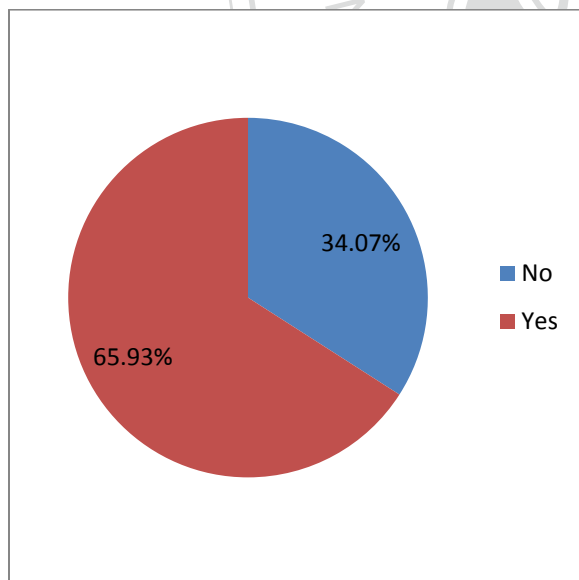


## 2. The agency fees in Taiwanese illegal labor market

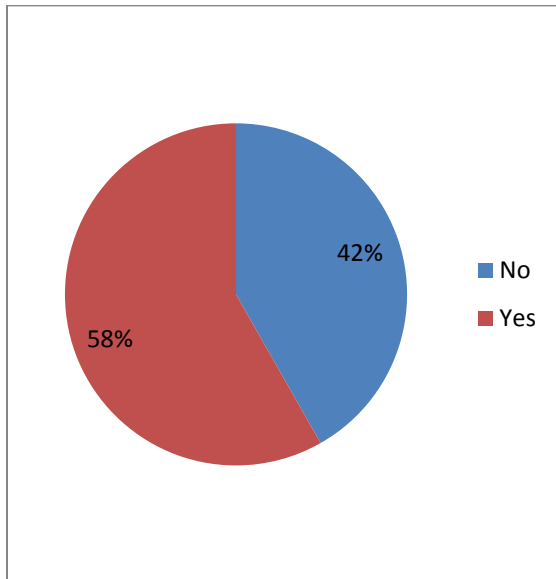


## INFORMATION DISSEMINATION

1. Runaway Indonesian workers who felt whether their Indonesian PPTKIS provided Taiwanese labor-related information or not during training or pre-placement time in Indonesia

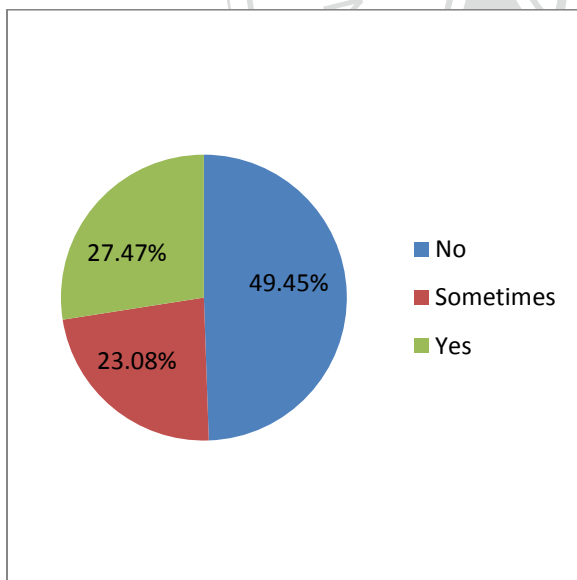


2. Runaway Indonesian workers who felt whether their Taiwanese agency provided information or not regarding the applicable Taiwanese labor regulations during legal work in Taiwan



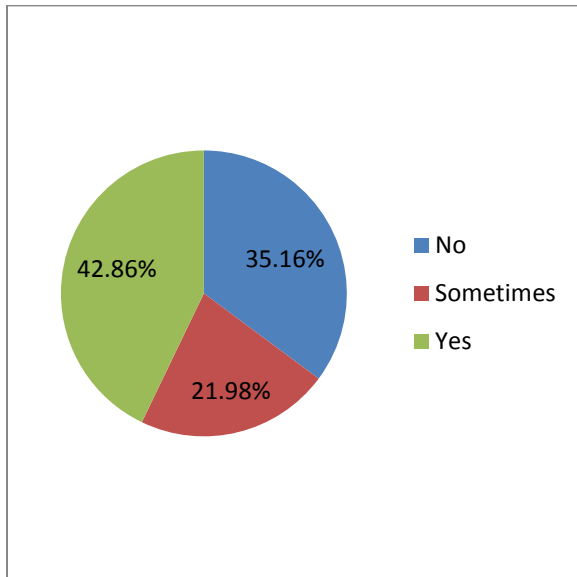
#### **SUPPLEMENTARY QUESTIONS**

1. Runaway Indonesian workers who had ever encountered any problems with their legal employer

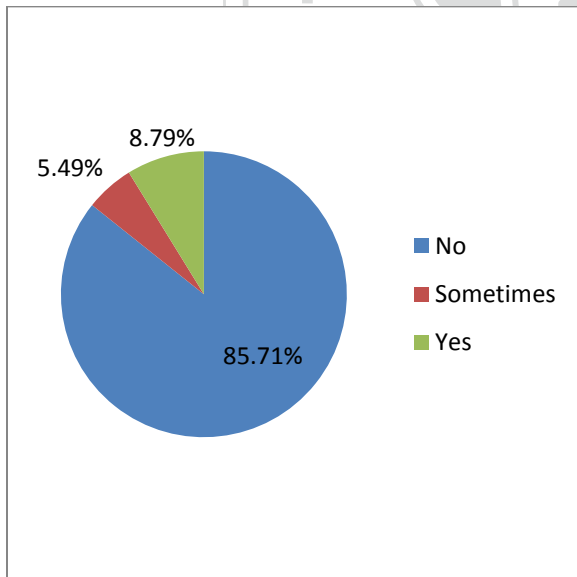




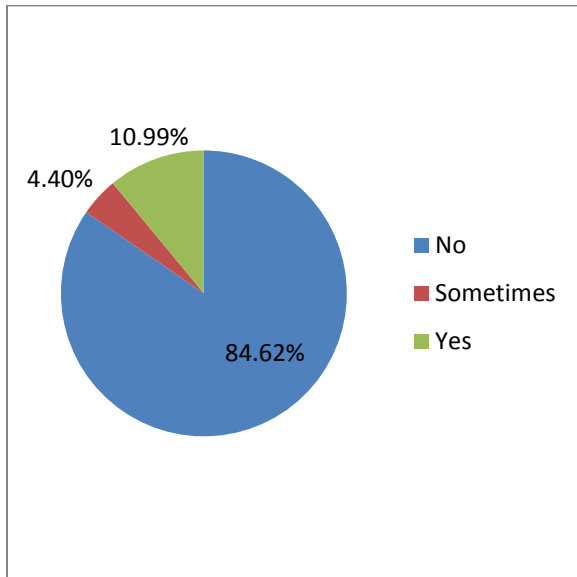
2. Runaway Indonesian workers who had ever had miscommunication or language barrier with their legal employer or Taiwanese agency



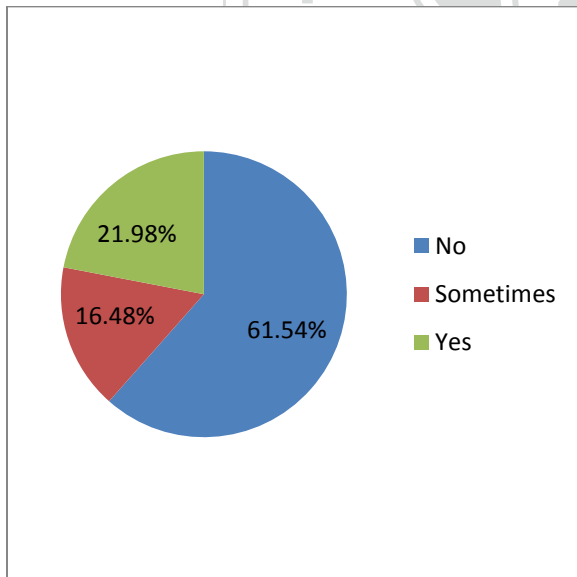
3. Runaway Indonesian workers who had ever experienced physical abuse from their legal employers



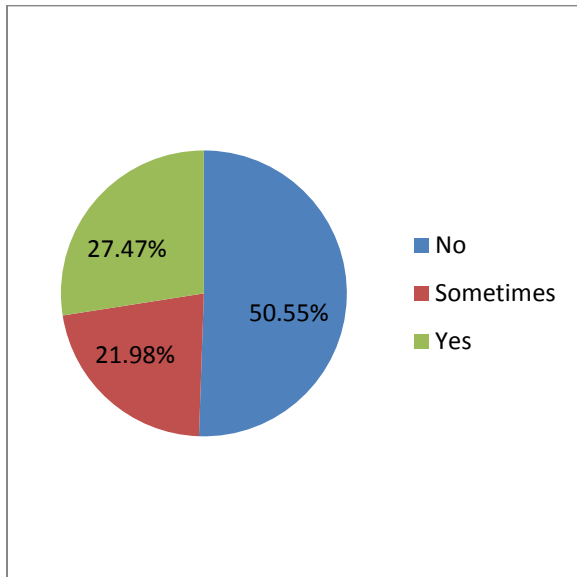
4. Runaway Indonesian workers who had ever experienced sexual harassment from their legal employers



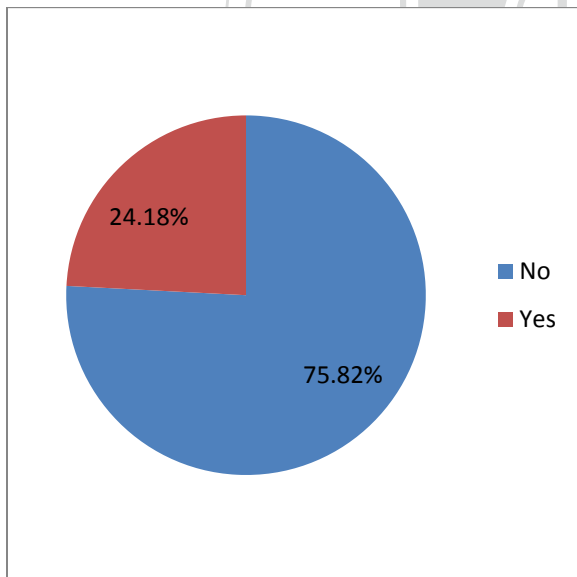
5. Runaway Indonesian workers who had ever encountered any problems with their legal Taiwanese agencies



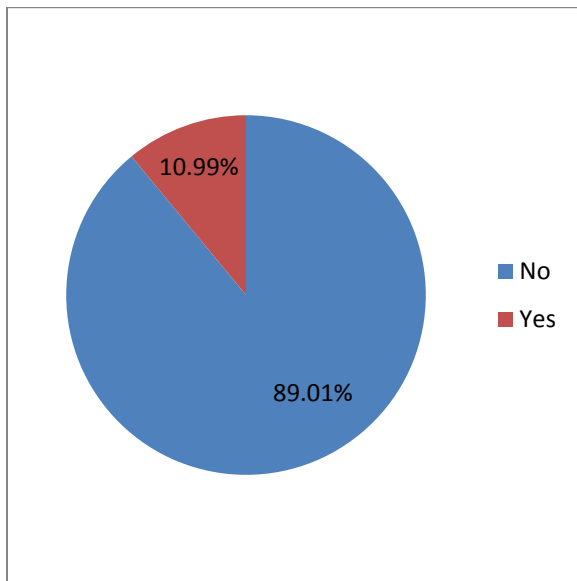
6. Runaway Indonesian workers who felt whether their Taiwanese agencies cared or not about their working condition



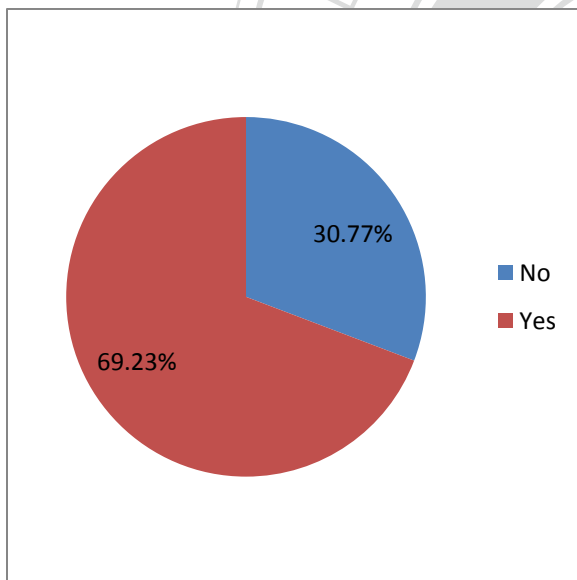
7. Runaway Indonesian workers who had ever submitted complaint to 1955 call center



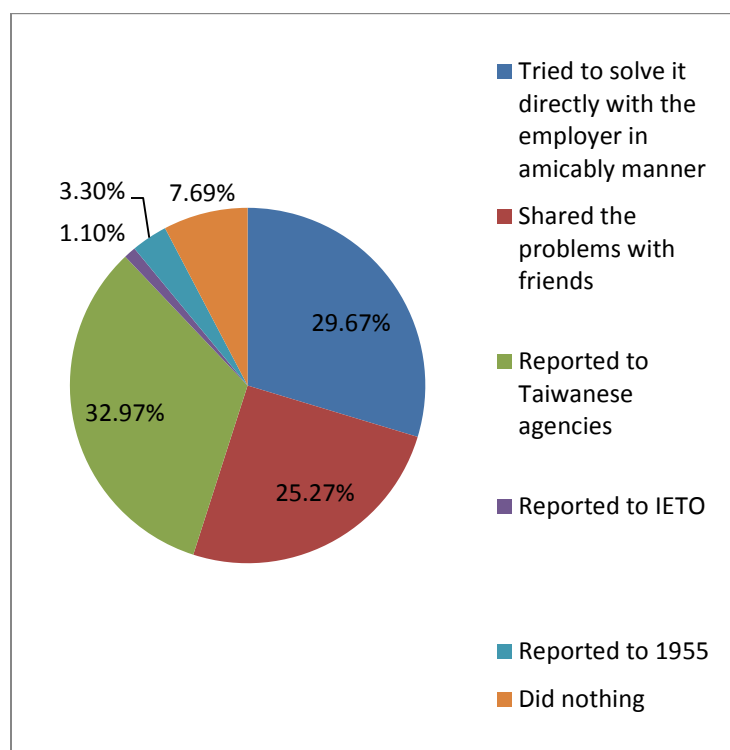
8. Runaway Indonesian workers who had ever submitted complaint or not to IETO



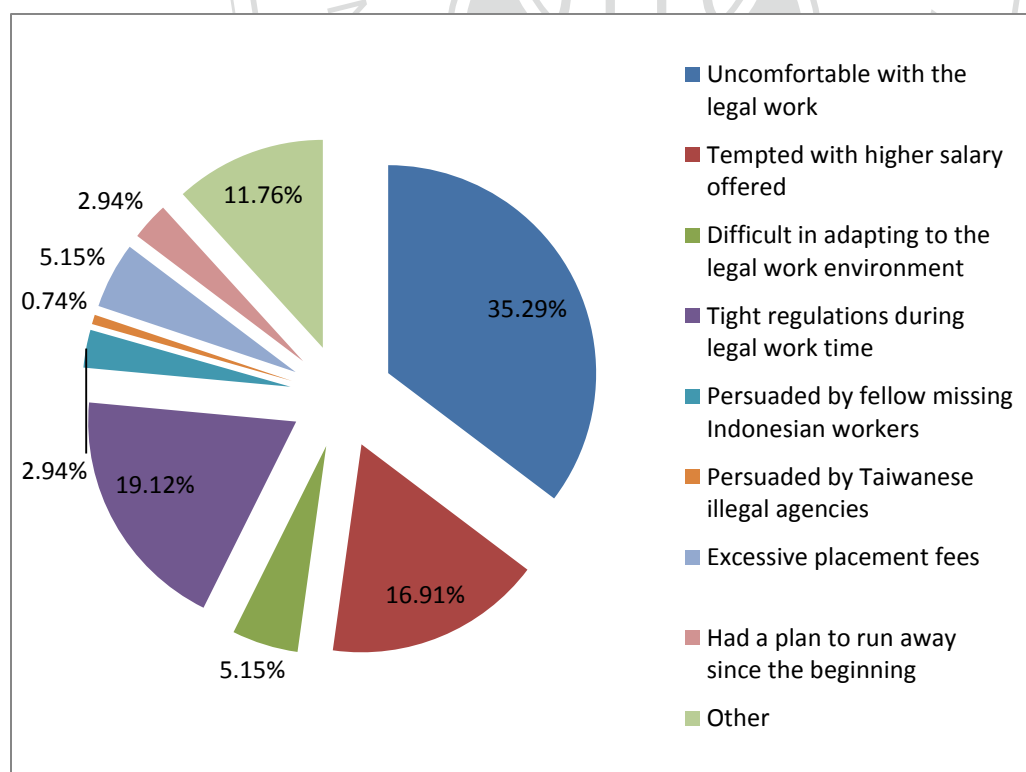
9. Runaway Indonesian workers who had ever submitted complaint to their Taiwanese agencies



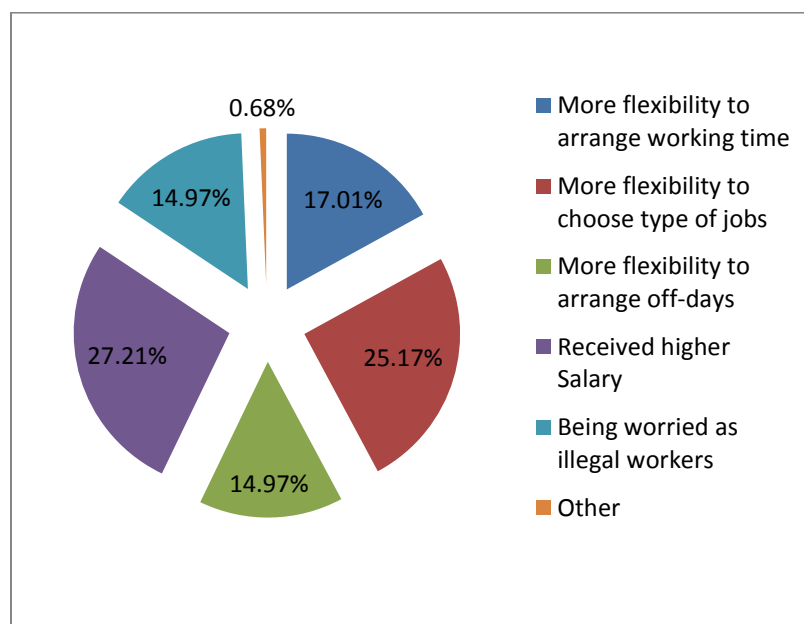
#### 10. Runaway Indonesian workers' response when they experienced a problem during legal work



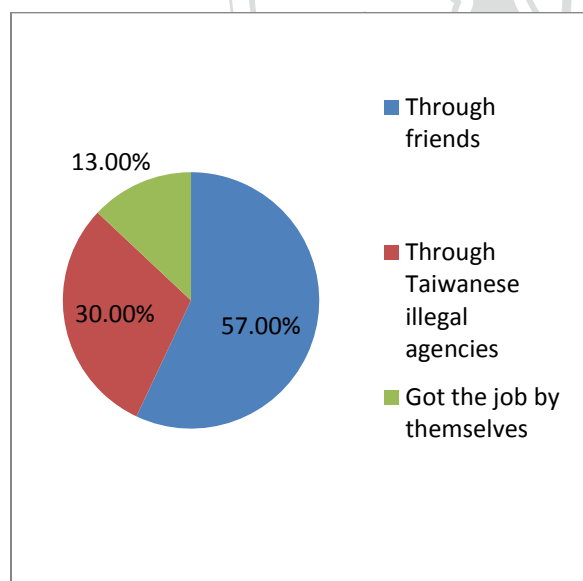
#### 11. Runaway Indonesian workers' reasons to run away from their legal employers



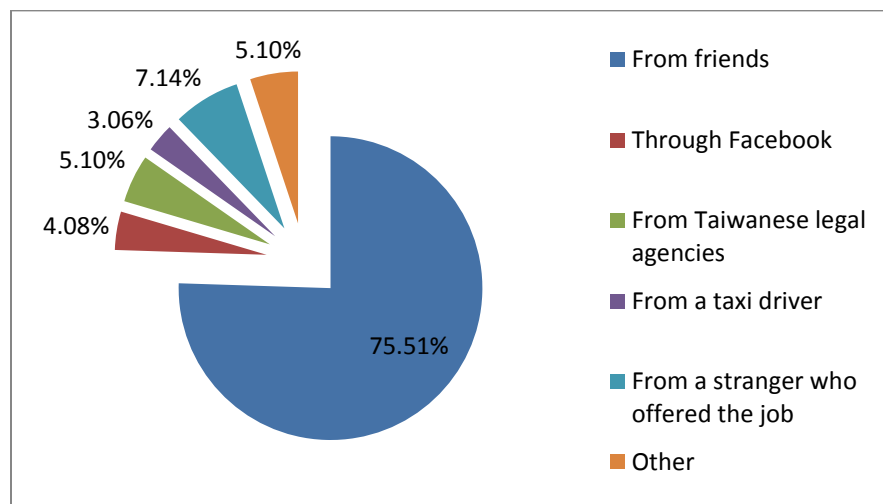
12. Runaway Indonesian workers who experienced any differences as legal and illegal workers in Taiwan



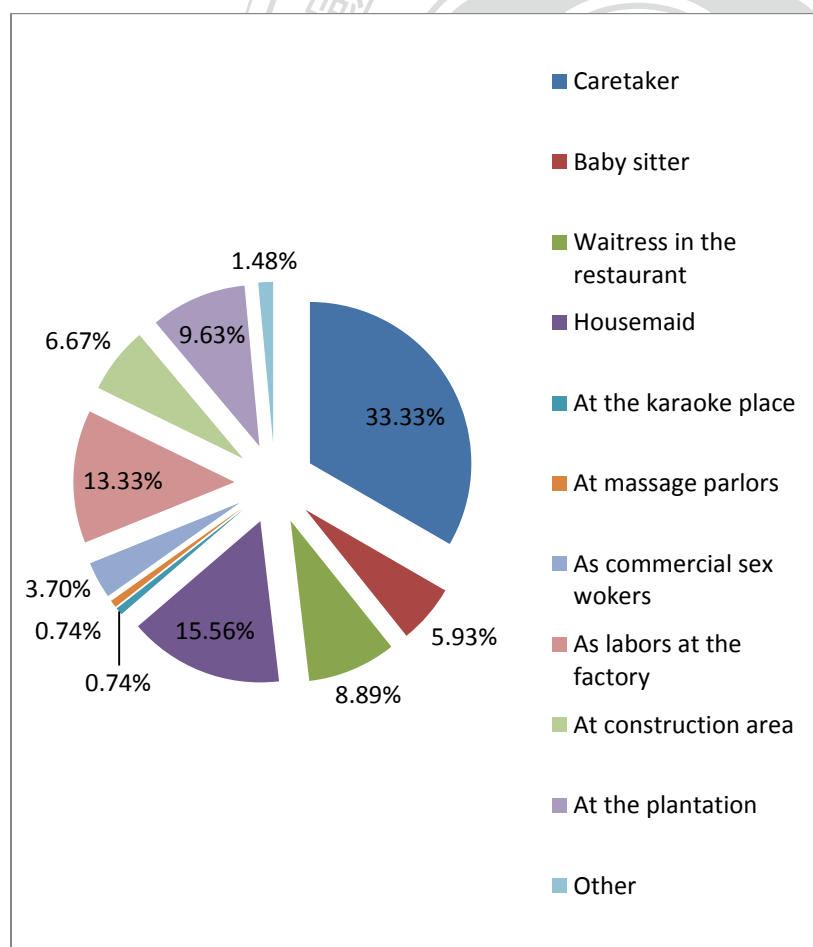
13. The sources of Indonesian workers to get the job information during their illegal work



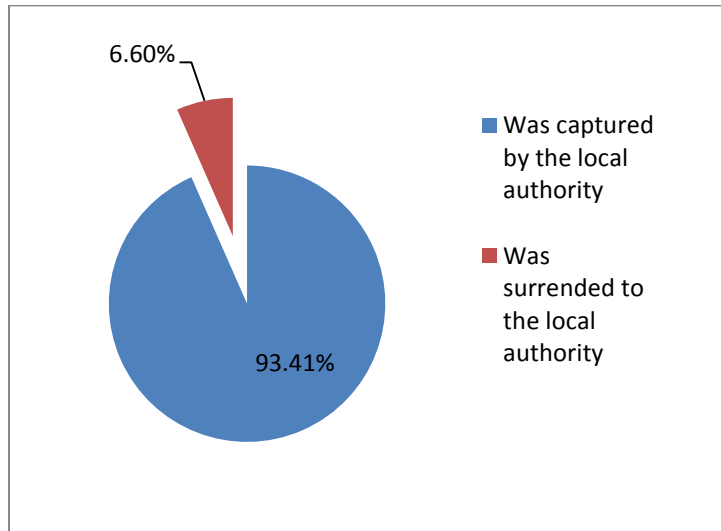
14. The sources of information about the Taiwanese illegal agencies that distributed runaway foreign workers



15. Job Category of Runaway Indonesian workers



#### 16. Reasons of runaway Indonesian workers were in the Detention Center





## TRANSCRIPT OF INTERVIEW

Name of Informant : Ani (alias)  
 Date : May 23<sup>rd</sup>, 2015  
 Time : 10:00-11:00  
 Place of Interview : IETO's shelter in Taichung  
 Topic : Reasons for running away

Researcher	Why did you decide to work to Taiwan?
Informant	I wanted to get experience of working abroad and of course helped my family's economic condition. My aunt worked in Taiwan before so I got the information from her and thought why not try it out.
Researcher	What made you decided to run away from your legal employer?
Informant	For my first job in Taiwan, I did not like the working environment because my employer did not care to me.
Researcher	In what sense, did she not care to you?
Informant	Well, for example she was very captious with my job. I felt like I never did anything right. The grandma was also parsimonious. They never shared their food with me and I could only eat after they all finished eating. This made me uncomfortable so I asked to change employer to my agency.
Researcher	Did you agency help you to change employer?
Informant	Yes, they did but it did not last either because the grandpa spent most of his time at the hospital. I think I worked there for two months only.
Researcher	So you were at the hospital with him most of the times?
Informant	Yes, after I finished cleaning the house, I went to the hospital then went back home at night.
Researcher	What were your duties?

Informant	I was responsible for taking care of the grandpa and did the household chores also.
Researcher	Was it included in your job contract?
Informant	I cannot remember but I think so.
Researcher	Did you feel that the amount of your legal job exceeding your capability?
Informant	No, I did not feel that way because I came to Taiwan to work.
Researcher	So what made you uncomfortable with your second employer then?
Informant	Well, my employer accused me of stealing her jewelry. I told her I did not take any of her belongings but she did not trust me. So she returned me to my agency. I told my agency that I did not steal anything but they did not seem they trusted me. So I was at my agency for three months, I guess. I was waiting whether they were going to transfer me to another employer but they did not tell me anything. So I asked them to return me home but they said I had to pay 5 million rupiahs. I told my family and they transferred the money to the agency already. Yet, they did not return me home. I decided to run away then.
Researcher	I see. Did you have a chance to communicate with your family or other Indonesian workers during your legal work?
Informant	No. My employer did not allow me to go out so I never had any off-days. So I only met other Indonesian workers when I was at the park or at the hospital with the grandma or grandpa. My agency also took my cellphone and would only return it to me if my employer agreed. I communicated with my family once a month when my employer allowed me to do so.
Researcher	How about your wages during your legal work? Were you satisfied?
Informant	Yes, it was in accordance with the information provided by the Indonesian PPTKIS. But I did not think I got paid for my overtime because my employer only showed me the paper of my salary.
Researcher	Where did you work as runaway worker? What kind of job did you do?

Informant	I worked in Taichung as a caretaker. I usually had the job for two to three weeks before changing to another employer.
Researcher	Did you face any difficulties in obtaining jobs as a runaway worker?
Informant	No, because we usually got the information from other runaway Indonesian workers. Sometimes, the Taiwanese employer asked or offered me a job for another employer.
Researcher	What did you feel when you worked as a runaway worker? Did you feel any differences between legal and runaway worker?
Informant	Yes, sometimes I feel worried if I would be captured by the police. But I was happy with my job as a runaway worker. I could choose my job and employer. I had more freedom as a runaway worker and I earned higher salary.
Researcher	How much did you earn per month as a runaway worker?
Informant	Around NT\$ 20,000 to NT\$ 23,000 per month. It depended on the employer.
Researcher	And that was your net take-home pay?
Informant	Yes.
Researcher	How long did you work as a runaway worker?
Informant	I think I worked for 1.5 years as a runaway worker.
Researcher	Did you turn yourself in? Why?
Informant	Yes, because I am pregnant and I want to go home. I thought the process would be easy but when I went to the police they found a record of me stealing so I had to stay here until my criminal case is finished.
Researcher	One last question, were you sorry for running away? And why?
Informant	No, I did not feel sorry for running away because by doing so I could really work and earn money to help improving my family's economic conditions.

## TRANSCRIPT OF INTERVIEW

Name of Informant : Siti (alias)  
 Date : May 23<sup>rd</sup>, 2015  
 Time : 11:00-12:00  
 Place of Interview : IETO's shelter in Taichung  
 Topic : Reasons for running away

Researcher	Why did you decide to work to Taiwan?
Informant	I wanted to help improving my family's economic condition. The job opportunity in Indonesia was not satisfying and you did not earn much money even though you had a diploma degree. So I decided to come and work in Taiwan.
Researcher	What made you run away from your legal employer?
Informant	Well, at first I got a mismatched job. In my contract, I was supposed to work as a caretaker. But when I arrived in Taiwan, my employer told me to work at her business. She made Chinese traditional medicines. So since the first day, I worked at the factory and cooked the medicines. There was a teacher, I called him laoshi, who taught me to prepare the materials and cook the medicines.
Researcher	So every day you worked at the factory?
Informant	I used to wake up at 5:00 am. In the morning, I prepared the materials and then cooked the medicines. After that, I cleaned the house, did laundry, and other usual household chores. Sometimes, my employer also asked me to take care of her five years old daughter. I was even once told to wash the car.
Researcher	What time did you usually finish with all of your tasks?
Informant	Around 11:00 pm, I guess.
Researcher	Did you not complaint to your employer or agency about the mismatched jobs?

Informant	I did. At first, I talked to my employer but they told me to lie if there was any BLA officer who asked about my job. Then I talked to my agency but they trusted my employer more. They even told me that they would return me home if I talked to local authority. So I tried to be obedient and did all of the tasks, but they were so tiring and I couldn't handle it anymore. So I decided to run away after working for a year.
Researcher	Did you have any chance to communicate with other Indonesian workers or your family back home during your legal work?
Informant	No, I did not have a chance to go out at all with all of those tasks. My employer allowed me to have off-days only after I worked for two years. She also did not allow me to have a cellphone so I was unable to communicate with my family back home. I usually asked another Indonesian worker who worked in my neighborhood to let my family know about my condition.
Researcher	How did you meet with the other Indonesian worker?
Informant	When my employer told me to go groceries shopping.
Researcher	Why did not you seek help or assistance from your family back home? Maybe they could help you talk to the local authority.
Informant	No, I did not want to put more burdens to my family. Coming to Taipei was my choice even though my father did not agree with it. If I told him what I've been through, they would be worried and I did not want that.
Researcher	What did your jobs as a runaway worker?
Informant	At first, I worked as a housemaid but then I worked at a karaoke place.
Researcher	Did you work as a commercial sex worker?
Informant	Yes.
Researcher	How did you get the jobs information?
Informant	I got the information from my Indonesian friends who had run away before. She told me there was a job and I could get more salary. At first I did not know exactly the job and I only thought of the salary.
Researcher	What did you do when you found out about the job?

Informant	Well, I wanted to run away but it gave me a pretty good salary.
Researcher	How much did you earn?
Informant	Around NT\$ 24,000 to NT\$ 27,000. It depended on how many clients you got per day.
Researcher	And how many clients did you usually have in one day?
Informant	Around 10 people.
Researcher	What made you end up here at the shelter?
Informant	I was captured by the police when I was having my off-day.
Researcher	Did you feel sorry for running away and being a runaway worker?
Informant	Well, I felt guilty for what I have done in my job because it was against my religion. But I did not feel sorry for running away. I had more freedom in choosing my jobs compare to when I worked legally. I also had off-days as a runaway worker and my employer treated me nicely. Moreover, by working legally, I was able to fulfill my dream to build a house for my family back home. Am I sorry for my job? Yes. But am I sorry for running away? No.

## TRANSCRIPT OF FOCUS GROUP STUDIES

Name of Informant : Mr. Taufik Muslimin and Ms. Ana from Satgas TKI  
 Mr. Paul Peng and Mr. Herwai Jakin from IETO representatives

Date : April 26<sup>th</sup>, 2015

Time : 11:00-13:00

Place of Interview : Guci-Guci Restaurant in Daan Park area

Topic : Runaway Indonesian Workers

Researcher	What do you know about the definition of runaway Indonesian workers?
IETO	According to Taiwan's labor law, the definition of runaway workers is a worker who is missing for three consecutive days without any information to the employer or agency.
Researcher	According to your experiences, what are the reasons of Indonesian workers to run away?
Satgas TKI	The runaway Indonesian workers decided to run away due to various reasons. It has never been because of one reason only. Usually because the working environment is not comfortable; the employer is too captious with the worker's jobs, overload tasks, and no off-days. Even though the Indonesian workers receive over time salary for not having any off-days but still they actually need some time to take a rest and refresh their mind. Apart of taking care of the grandma or grandpa, the Indonesian caretakers also do the household chores, such as cleaning the house, cooking and doing laundry.
IETO	Some of the Indonesian workers also experienced mismatched jobs. For example, the job title in the contract is as a caretaker, but in reality she works at a factory. This then causes them to feel unsatisfied with their job because it is not in accordance with their expectations.

Researcher	Why do the Indonesian workers not enjoy any off-days? Is it because they choose not to have one or is there any other reason?
Satgas TKI	There are two reasons why the Indonesian workers do not enjoy any off-days. First, is because their employers or agencies do not allow them to have any off-days because the Indonesian caretakers usually have to stand by on 24/7 basis. They even share the same room with the care recipients. Second, the Indonesian workers themselves choose not to have any off-days in order to earn more money. It is because they already have high-debts back home to fund the cost to come to Taiwan so they are trying to save more money.
IETO	The working condition which requires the Indonesian caretakers to stand by on 24/7 basis is also one of the reasons why they are unable to have sufficient recess time. Sometimes, when the care recipient is awake in the middle of the night, the Indonesian caretakers also have to wake up and take care of them.
Satgas TKI	They are then also unable to exercise their religious activities. Part of it is because of the culture differences between Indonesia and Taiwan. As most of the Indonesian workers are Moslem so they have to pray at least five times a day and the Taiwanese communities are not familiar with Moslem religion so sometimes they cannot allow the Indonesian workers to pray five times a day because it requires the Indonesian workers to be away for a while from the care recipients.
Researcher	How about the salary? Is it also one of the reasons why the Indonesian workers decide to run away?
Satgas TKI	Yes, because they receive higher salary as runaway workers. They usually earn around NT\$ 20,000 to NT\$ 27,000. Depending on the jobs but it is already the net take-home pay. For the Indonesian workers who work at the factory, their wages depend on the availability of their jobs. If there are not many jobs available, then they spend most of their time in the company's shelter and their salaries will be deducted. This then causes them to receive less salary with all the deduction for the



	placement fees. They also usually did not get paid for their overtime work.
IETO	Especially for the Indonesian caretakers, their salary has never been increased since 1997. It has always been NT\$ 15,840 since then.
Researcher	Are the placement fees also the cause of Indonesian workers to run away?
IETO	Yes, because it's related to the salary they receive. During the first nine months, they experience extensive salary cuts, such as the agencies fees, the Indonesian PPTKIS fees, bank interests and administration fees for their loan. So they normally receive less than NT\$ 10,000. Now when the Indonesian workers encounter problems in their working environment and feel like there are no solutions, this condition then adds to their frustrations which make them run away.
Researcher	But did the Indonesian PPTKIS and Taiwanese agencies provide labor-related information to the Indonesian workers?
Satgas TKI	I did not think so because most of these workers did not know the consequences of being runaway workers. Even when they did but it was just merely providing information so the Indonesian workers did not understand completely.
IETO	In addition to provide information, the roles of Taiwanese agencies are also important because most of the Indonesian workers seek assistance to their Taiwanese agencies and usually they respond by telling the Indonesian workers to be patient which was not helpful because the procedure of changing employers or jobs is complicated, so pursuing that option (changing employers or jobs) would be the last resort. Still, they should have responded to the Indonesian workers more actively.
Researcher	But IETO is also able to help the Indonesian workers too, is it not?
IETO	Yes, but we can only assist those who make report directly to us. If they report to their Taiwanese agencies or 1955 BLA service center, we will not know.
Researcher	So no joint mechanism to receive the Indonesian workers' complaint

	and problems between Indonesia and Taiwan?
IETO	Currently, no. The Taiwanese agencies and BLA will only contact us when they perceive necessary. We also do the same. In addition, some of the Indonesian workers do not know that there are two services in 1955 service center. The first one is only for consultation and the other is for complaint. If the Indonesian worker chooses consultation then the BLA officer will only provide suggestions as their service. Only if the Indonesian worker chooses complaint and agrees to further process the case then the BLA officer will make the report.
Researcher	How is the network to obtain a job as runaway workers? Is it difficult to get a job?
Satgas TKI	No, it's not. The runaway Indonesian workers usually already have the job information from the other runaway Indonesian workers before they decide to run away and that is how they usually get a job; through their friends. The other source is from the Taiwanese illegal agencies. If the runaway Indonesian workers get the jobs from illegal agencies, they usually pay around NT\$ 3,000 for the agencies fees. But then again, their net take-home pay is still higher compare to their salary in the legal labor market.

## TRANSCRIPT OF FOCUS GROUP STUDIES

Name of Informant : Ms. Nana from Taipei BLA officer  
 Mr. James Chiu from Taiwan NIA officer  
 Father Edward from St. Christopher's Church, Yuanshan

Date : April 29<sup>th</sup>, 2015

Time : 12:00 – 13:00

Place of Interview : Miacucina Restaurant in Neihu

Topic : Runaway Indonesian Workers

Researcher	Based on your experiences, what are the reasons that cause Indonesian workers to run away?
BLA officer	Mostly is because of the salary. The runaway workers receive higher salary compare to their salary in the legal labor market. As they can only work for three years so they want to earn as much money as possible. Working as runaway workers help them to earn more money.
St. Christopher's Church	That is one of the reasons but from my experiences, the major reason is the job itself. As most of the runaway workers work as caretakers, they have to stand by 24 hours every day and most of them do not enjoy holiday. So practically they do not have time to rest. Taking into account the nature of Indonesian workers who are obedient so they will follow whatever their employers tell them. It is quite different with Filipinas workers who do not mind talking to their employers directly. This condition then makes them feel pressured and unsatisfied. In addition, I once met an Indonesian worker who worked at a small restaurant, while her contract stated her as caretaker. This kind of mismatched job is also one of the reasons that make the Indonesian workers run away.
Researcher	What about the placement fees? Is it also one of the reasons that cause Indonesian workers to run away?

BLA officer	Yes, because it is related to the salary. The Indonesian workers experience extensive salary cuts especially during the first year of the contract. On the one hand, the runaway workers do not require them to pay anything as normally they receive their full salary.
St. Christopher's Church	That is true. I asked one of the Indonesian workers at the detention center and she told me she only received around NT\$ 1,000 to NT\$ 3,000 during the several first months because of the excessive salary cuts. I wonder how she could survive live in Taiwan with that salary.
Researcher	The findings from my previous focus group study mention that the Taiwanese agencies also play important role that cause the Indonesian workers to run away. What do you think about it?
St. Christopher's Church	I think that is true because most of the Indonesian workers that I met they had very limited knowledge of information. For example, they signed the job contract at the airport right before they departed. In addition, they are not allowed to hold their documents, such as passport or ARC, and the job contract. How could they understand about their rights when they do not have access to their personal belongings?
NIA Officer	The Taiwanese agencies should provide the information and service to the Indonesian workers because they are getting paid and it is also regulated by our government. In fact, we put brochures at the airport which consist of all important information that the Indonesian workers should know.
Researcher	How is the procedure for the Indonesian workers to make a report to 1955 service center?
BLA Officer	They can call to 1955 service center and report their cases. However, the 1955 service center is only for legal foreign workers and we cannot assist runaway foreign workers' problems. We only have the capacity to help the runaway workers obtain their documents that are being held by their legal employers.
Researcher	Is that true that there are two types of service in 1955 service center?

	The first one is consultation and the other one is complaint.
BLA Officer	Yes, that is true. The workers themselves have to choose which one they would like to pursue.
Researcher	Do the Indonesian workers know about these two different services?
BLA Officer	Yes, because in 1955 service center we ask the workers whether they want to consult or file a complaint. Most of the times, the workers are being hesitated to file a complaint so we cannot do anything without the workers' consent.
Researcher	Based on your knowledge, is it difficult to obtain jobs as a runaway worker?
St. Christopher's Church	It is quiet easy to get jobs as a runaway worker because they get the information from their friends. Sometimes the Taiwanese employers themselves are looking for runaway workers because it is easier for them to hire runaway workers. Also, there are Taiwanese illegal agencies that distribute the runaway workers.
BLA Officer	Yes, that is true. And we have been increasing sanctions for the agencies that distribute runaway workers.