

# Labour Politics in Taiwan's Election

Wednesday 17 January 2024, by [NGERNG Roy](#) (Date first published: 10 January 2024).

**“Labour issues have emerged as one of the central themes among young people in this year’s election.”**

## Contents

- [The Political Landscape](#)
- [One of the Worst Places to \(...\)](#)
- [Livelihood Issues in Focus](#)
- [Less Trusting and Lonelier](#)
- [Inequality After the Election](#)

Taiwan will be holding its presidential election on January 13, 2024.

While in previous years, it was fought mainly on cross-strait issues with China, labour issues have emerged as one of the central themes among young people in this year’s election, with a new political party seeking to win them over.

Why is this, and how would this shape Taiwanese politics?



*CAMPAINING FOR TAIWAN'S PRESIDENTIAL ELECTION (PHOTO CREDIT: STUDIO INCENDO / CREATIVE COMMONS)*

## The Political Landscape

Taiwan’s political landscape has been monopolized by the largest opposition party, Kuomintang (KMT), which is remembered for its rule during the martial law authoritarian era from 1949 to 1987, and the ruling Democratic Progressive Party (DPP), which emerged during the democratization movement from the late-1980s and has controlled the presidency and national legislature for the last seven and a half years.

Both parties attract predominantly older voters, with those aged 50 and above evenly split between the two. In comparison, younger voters below 40 align more with a new party established in 2019 – the Taiwan People’s Party (TPP), established by the former mayor of the capital, Taipei City, Ko Wen-je.

DPP and KMT have traditionally pitted themselves against one another along the lines of cross-

straits issues vis-à-vis China's threats to the country's nationhood. This election is no less different, with the KMT shaping this election as a [choice](#) between war and peace with China. At the same time, the DPP [positions](#) it as one between Taiwan's democracy and China's authoritarianism. TPP has taken a different route by targeting local politics, focusing on youth [grievances](#) and fighting [corruption](#).

CommonWealth Magazine recently conducted a survey and [found](#) that although DPP and KMT voters rank national security and cross-strait relations as their topmost priority, respectively, for TPP and middle-ground voters, as well as young voters below 40 years of age, the top of their agenda is economic development. Taiwan's rich-poor gap also ranks second among young voters.

DPP managed to attract more young voters during the last two elections after it took the side of students during the Sunflower Student Movement in 2014, which protested against the then-KMT government for trying to push through a trade pact with China that was thought to risk Taiwan becoming economically and politically more vulnerable to China. But ten years on, youths are gravitating away as the DPP's "understanding of the plight of young people regarding housing and commuting appears to be lacking," Taiwan Youth Association for Democracy head Chang Yu-meng [told](#) Focus Taiwan.

## **One of the Worst Places to Work**

In the last eight years, the gap between the richest and poorest 20% of households has been [widening](#) to become one of the [worst](#) among the advanced economies (as [defined](#) by the International Monetary Fund). In 2022, the top richest 10% in Taiwan [held](#) 48.1% of the country's income, which was the second highest among the advanced economies and just behind the United States' (US) 48.2%.

The DPP government has [harped](#) on Taiwan's GDP growing faster than the other Asian Tigers competitors during its governance, but much of the growth has not benefitted workers. Taiwan's median wage is at a very low 53% of its per capita GDP, while its minimum wage is only 31%. This compares with the average of 80% and 40%, respectively, among other advanced economies. Worse still, the proportion of Taiwan's minimum and median wage as a proportion of GDP has declined rapidly, even as it has remained stable among other advanced economies.

In 2024, Taiwan's minimum wage grew to only NT\$27,470 (US\$882) a month, making Taiwan's minimum wage the fourth [lowest](#) among the advanced economies. Including housing prices, Taiwan's overall cost of living is not much lower than countries like Belgium, Germany, the Netherlands, and the United Kingdom - countries where their minimum wages are much [higher](#), 150% to 170% than Taiwan, of about NT\$60,000 to NT\$70,000.

By my [calculations](#), Taiwan's minimum wage needs to be a minimal NT\$40,000 to NT\$50,000 to be adequate for a basic standard of living, including housing mortgages. The calculations utilize Numbeo's cost of living [estimates](#). They are based on [ensuring](#) a living wage to enable individuals to live decently and meet their basic necessities like food, shelter and public transportation, as well as partake in basic recreational and cultural activities. Housing mortgage is included as [nearly](#) 90% of Taiwanese say they want to own a home. However, as of 2022, its median [wage](#) was only NT\$43,167, which suggests that half the population could be earning poverty wages. Yet, even as Taiwan's minimum wage is one of the [least](#) adequate among the advanced economies, it also [grew](#) the slowest.

Not only that, Taiwan's workers also work one of the longest [hours](#) in the world - second only to

Singapore among the advanced economies. Taiwan also has one of the [fewest](#) days of paid vacation (second only to the US) and one of the fewest days of paid maternity and parental leave for mothers. Taiwan only has 19 paid vacation [days](#) (including paid annual leave and public holidays) compared to the average of 30 days among the advanced economies, and mothers only have 35 [weeks](#) of paid maternity and parental leave compared to the average of 52 [weeks](#).

Consequently, given the poor working conditions in Taiwan, it is not surprising that Taiwan's workers have some of the lowest [satisfaction with life, enjoyment, and engagement](#) at work among those in advanced economies. Before entering the workplace, Taiwan's students also undergo the longest school [hours](#).

Most dire of all is how rapidly Taiwan's housing prices have grown, with prices [doubling](#) in some cities in the last three to four years, as Taiwanese businesses returning to Taiwan due to the US-China trade war and sanctions [push](#) up housing prices with the funds they bring back. Without international diplomatic recognition, Taiwan seldom features in global comparisons. Still, Taiwan's housing prices have risen to the highest among the advanced economies, with prices in Taipei on par with top global [cities](#) like New York, London and Paris.

As of the third quarter of last year, an apartment in Taipei costs an [average](#) of NT\$24.99 million (US\$802,000) compared to the [median](#) of US\$720,000 in New York City. However, Taiwan's minimum wage is only a third to half that of these cities. Its housing prices in Taipei are a whopping 15.5 [times](#) that of disposable household income (as of the third quarter of last year) - this [compares](#) with 18.8 times in Hong Kong and 13.3 times in Sydney in 2022, two cities which are already widely seen as the most unaffordable markets in the world.

Taiwan's workers have to [fork](#) out an average of 42.1% of their disposable household income to pay for housing, which is only 15% among other advanced [economies](#). People living in Taipei have to pay 66.5% of their wages. Taiwan's housing prices should be 50% to 60% lower to be [comparable](#) to other advanced economies with a similar cost of living. Still, no political party in Taiwan intends to bring it down to this level.

Taiwan's stagnant wages and escalating housing prices are problems that have festered since the 1997 economic crisis, where successive governments under the DPP and KMT suppressed wage growth while allowing housing prices to undergo unbridled growth. Under the current president, Tsai Ing-wen, Taiwan's minimum wage has grown [faster](#) than that of her other elected predecessors. However, it is still too low to recover from this chronic wage stagnation.

Tsai promised to raise the minimum wage to NT\$30,000 but has broken her promise. It is no wonder that the New York Times [reported](#) that "a considerable number expressed disillusionment with Taiwan's two dominant parties among the youths it spoke to."

### **Livelihood Issues in Focus**

Both major parties recognize the disgruntlement of Taiwan's youths. A source within KMT [told](#) Focus Taiwan: "Meagre wages and soaring house prices have left many young people disillusioned about their future and caused them to become indifferent toward politics." DPP also admitted: "Young people are dissatisfied. We saw that, and we felt that."

Anger among youths was also the reason why the DPP lost during the local election in 2022. In a report it produced after the election, it [recognized](#) the "significant" loss of support from young and moderate voters," and candidly acknowledged that "voters chose to place checks and balances on

the DPP” due to the party’s arrogance.

However, the DPP does not seem to have learned its lesson. Among the presidential candidates, DPP’s candidate Lai Ching-te has been most adverse towards proposing more socially progressive policies, ironic considering that the party is supposed to be the more “progressive” one, as its name suggests. Thus far, KMT’s presidential candidate, Hou Yu-ih, is the only candidate with a [target](#) for raising the minimum wage to NT\$33,000 a month, which is still only 20% higher than the current level.

Both [Lai](#) and TPP presidential candidate [Ko Wen-je](#) only said they would promote industrial upgrades to raise wages. Ko says higher education needs to be improved, but this ignores that Taiwan’s workers are already [highly educated](#) but still [inadequately](#) remunerated. Moreover, Lai had plenty of opportunities to push for this, as he is the current vice-president under Tsai’s second term, yet he has done little to this effect. Lai was also famously [mocked](#) for telling caregivers that they should work out of the goodness of their hearts when they raised the question of their low NT\$30,000 wage.

When Tsai ran for election in 2015, she [said](#) that the Taiwanese were taking too many holidays, and after she took power in 2016, she even slashed seven days of national holidays. In this election, Hou [proposed](#) reinstating the number of public holidays by at least two days, but Lai and Ko did not make similar proposals. Ko did, however, [propose](#) to raise the number of maternity leave from eight weeks to 10 weeks and gradually to 14 weeks.

Taiwan’s firefighters and police officers have been [protesting](#) for their right to form unions after seven firefighters [died](#) in a fire in September 2023. Other than teachers, Taiwan’s civil servants, including firefighters and police officers, are not [allowed](#) to form unions. Premier Chen Chien-jen even cautioned against the unionization of firefighters, [saying](#) that it should be carefully assessed as it would “raise the question of whether to allow other types of civil servants to be allowed to form unions”.

As such, the government has only been willing to allow them to [form](#) special associations with lesser rights and even require a threshold of 400 public workers to do so – this is the same [stance](#) taken by Lai. On the contrary, both Hou and Ko support the unionization of public sector workers. Ko even proposed [reducing](#) the threshold for unionization from 30 workers to 10 workers – though this is still higher than the two [required](#) in Japan and South Korea.

DPP is also in the game of playing catch-up. After Hou and Ko [proposed](#) making Taiwan’s National Health Insurance free for those aged 65 and above, DPP politicians scorned their proposals by asking where the government revenue to pay for the increased expenditure would come from. But just days after their proposals, the National Health Insurance Administration announced that it would look into extending free National Health Insurance for this age group and [admitted](#) that it was prompted to do so due to the election proposals of Hou and Ko.

After Hou promised to raise the minimum wage to NT\$33,000, Lai hurriedly pledged to see through the minimum wage law during his term if elected – a promise Tsai made two elections ago. A few days after Lai’s pledge, the Executive Yuan (or Taiwan’s cabinet) [rushed](#) to approve a draft minimum wage bill and sent it to the legislature, which passed it one month before the election.

The media mocked the process, which reported that it took seven years for the law to be passed, and then only due to election pressure. Even so, the law has been [criticized](#) by local labour groups – labour unions [say](#) the law should ensure annual minimum wage increases are as fast as the growth of the consumer price index. Still, when several opposition parties proposed amendments to the law, they were blocked by the DPP-dominated legislature.

Labour minister Hsu Ming-chun [claimed](#) that “there is no law anywhere in the world stipulating that minimum-wage hikes must not be lower than a certain index”, ignoring the fact that in Luxembourg and Belgium, such policies do [exist](#), which have enabled citizens to earn among the highest and most adequate statutory minimum wages.

KMT is also beating DPP at its own game. On a purchasing power parity basis, Taiwan’s university tuition fees are among the [highest](#) in the world. After Lai [proposed](#) providing tuition fee subsidies of NT\$25,000 to narrow the gap between public and private universities, Hou went even further and [proposed](#) NT\$50,000 in subsidies to close the gap completely. Hou also [promised](#) he would pay off the tuition loan interest for students. Even so, university fees would still be too high relative to Taiwan’s wages.

After Lai [proposed](#) increasing the supply of social housing to 1 million units, Hou [proposed](#) an even higher 1.2 million units. Even before the election is over, the cabinet has proceeded to approve Lai’s plans to [raise](#) tuition subsidies to NT\$35,000 and social [housing](#) to 1 million units – but this begs the question as to why these policies were not implemented earlier, given that Lai has been vice president since 2020. This led Ko to [remark](#) that Lai was using state resources to “buy votes”.

By now, it has become clear that the DPP had the last seven years to enact more progressive social and economic policies, and even after its local election loss last year, it dragged its feet. Davidson College Professor Shelley Rigger [told](#) the New York Times, “Whatever the DPP was going to do for young people, they should have done by now. There’s a lot of youth dissatisfaction with the economy.” Still, it was only after the DPP faced competition from other presidential candidates and the possibility of another election setback that the DPP suddenly pushed through numerous policies in the last few months.

## **Less Trusting and Lonelier**

The uneven income distribution in Taiwan has led to the Taiwanese becoming less [trusting](#) and [willing](#) to [help others](#), as well as [lonelier](#) and more [self-centred](#), [compared](#) with other advanced economies. Research explains that greater inequality [results](#) in greater social distance and individuals feeling more [superior](#) to others and entitled. Greater social distance also leads to lower levels of trust, which [heightens](#) feelings of hostility and increases the risks of violence and homicides. As people feel the [stress](#) of attaining higher socioeconomic status to earn enough for self-sustenance, it leads to [greater](#) mental health issues like schizophrenia.

Against the backdrop of Taiwan’s highly inadequate wages is a highly corruptive economic system that successive governments have not adequately dealt with – Taiwan ranks second [worst](#) among the advanced economies under The Economist’s Crony Capitalism Index or in terms of how intertwined the government is with business.

National Chengchi University assistant professor Chien Yi-chun’s research [found](#) that the DPP had “links to employers of migrant workers, including financial stakes in businesses”, which she attributed to why “there has been very limited improvement in terms of migrant worker policies”. DPP legislative candidate Justin Wu also [exposed](#) how former KMT legislator Chang Ching-chung and his wife, former KMT councillor Chen Jin-Ding, grew their wealth from NT\$230 million in 1993 to NT\$11.1 billion and 329 land lots last year and questioned if this has to do with their positions in power. Land [speculation involving local governments](#) has been one major reason highlighted for Taiwan’s extravagantly high housing prices.

Taiwan also has one of the highest bribery [rates](#) among advanced economies and one of the largest

shares of its economy engaged in the [underground](#) economy and parked in offshore [wealth](#). Taiwan also ranks high in financial [secrecy](#), making it challenging to ensure Taiwan's businesses report their wealth fairly so that it can be proportionately returned to workers. Instead, Taiwan's inadequate wages make the Taiwanese more vulnerable to fraud - they lose the largest share of their economy to [fraud](#) among the advanced economies.

The high level of corruption in Taiwan's economy is linked to its inadequate wages in Taiwan. Research [explains](#) that "corruption distorts decision-making in favour of those who can afford to pay and further enriches these people". Income inequality also [leads](#) to households becoming economically vulnerable and easy targets of scams. Additionally, as individuals begin to view their society as less ethical and corruption as more common, they feel "less morally obliged to refrain from corruption", further enabling corruptive practices to spread.

The problem is further compounded when voters in a highly polarized society - as is the case of Taiwan - are loyal to specific political parties, which research shows [leads](#) to them being more willing to "condone rather than punish unethical behaviour" and corruption, thus becoming more rooted when the costs of corruption are relatively low.

Lai and Ko said further industrial upgrading to produce higher-value industries should be pursued to raise wages. Still, the reality is that Taiwan's low wages provide little incentive for businesses to invest in greater innovation and move up the value chain. At the same time, the opaque economic system encourages them to accumulate profits for themselves - Taiwan's profit share is one of the highest among the advanced economies. At the same time, the [diversity](#) and [innovativeness](#) of Taiwan's technologies ranks among the lowest.

Given the extent of inequality and corruption, the Taiwanese are more likely than other advanced economies to say that economic inequality and corruption threaten their democracy and that the government should [fight](#) it. Indeed, Taiwanese have among the lowest [support](#) for their country's democracy among advanced economies, and due to the perception of the country's economic situation declining, are also more likely to [support](#) strong leaders without the constraint of legislature and elections, in the belief that it can help put a stop to the erosion of society. Such beliefs have also spurred candidates like Ko to adopt a god complex and to [compare](#) his party to the Jesuit order and effectively [himself](#) with Jesus.

Therefore, Taiwan's inadequate wages and inequality threaten the country's democracy. When the DPP campaigns to protect Taiwan's democracy without coming out with stronger policies to uplift the livelihoods of the Taiwanese, it is hypocritical and ineffective.

### **Inequality After the Election**

While the DPP is seen as the only party to defend Taiwan's sovereignty, its lacklustre attempts at raising wages and reducing Taiwan's rich-poor gap have led many youths to consider DPP's politicians out of touch, abandoning it in droves.

But youths do not downplay the importance of sovereignty issues either. Surveys have shown that youths are the most [wary](#) among Taiwanese towards the Chinese government and have the [lowest](#) agreement with the Chinese government's approach towards resolving cross-straits relations.

As such, despite the KMT's relatively more progressive social policy proposals during this election, the party is seen as a threat to Taiwan's sovereignty due to its close ties with China and is rejected by most young people below 40. Just a month before the election, its deputy chairperson, Andrew

Hsia, [announced](#) a sudden visit to China, raising further concerns over China's interference in Taiwan's elections. DPP and KMT are also seen as [rabble-rousing](#) over cross-straits issues to avoid addressing local social concerns.

The distrust in both the DPP and KMT has driven youths into the arms of TPP. However, National Chengchi University Professor Lev Nachman [explained](#) from his interviews with Taiwan's youths: "So much of this youth support for Ko Wen-je is driven not by actual admiration for the man and his policies, but by frustration." Journalist William Yang's interviews [suggest](#) that youths are hoping to vote for TPP to break the DPP-KMT duopoly, which they see as preventing change in Taiwan.

However, Ko's cross-straits policy is ambiguous, as he has swung from favouring [closer](#) ties with China to claiming that his views are [aligned](#) with the DPP. Moreover, Ko's social policies are not particularly transformative, and even as Ko claims to fight against corruption and the involvement of underworld politics, his party has also been [campaigning](#) with figures from the underworld.

Taiwan's election being beholden to old-timers has led to political paralysis hemmed around cross-strait issues, while youth concerns have been sidelined. The youth's hope of breaking the dominance of the two parties depends on whether they come out to vote, but with the high level of scepticism among them, it is uncertain how many of them will do so. Youth disenchantment can also be seen by the number of candidates below 40 [running](#) for elections - only 16.2% of legislative seats are contested by youths, the lowest since 2008.

While Taiwan's elections have traditionally been fought between the DPP and KMT based on their cross-straits agendas, the growing concerns over Taiwan's livelihood issues have led to a segment of young Taiwanese voters throwing their support behind a third party in the hope that local issues will start taking centre stage in Taiwan's national elections.

DPP is likely to win the presidency but lose its legislature majority. At the same time, Ko aims for TPP to play a kingmaker role by becoming the third largest party in the legislature. However, given that the social policies proposed by all three parties are too weak to narrow the rich-poor gap in Taiwan, Taiwan's society will only become more unequal, and the next election will likely become even more polarized.

## **Roy Ngerng**

---

### **P.S.**

- Asian Labour Review, a journal for labour movements across Asia. January 10, 2024 2:27 pm: <https://labourreview.org/labor-politics-in-taiwan/>
- Roy Ngerng is an activist who writes about the low wage and income inequality issues in Taiwan. Roy was previously an activist in Singapore where he advocated for a fairer social protection and pension system. He also worked in HIV education, and was a researcher in medical education, sustainable development and disinformation, where he looked into how social concerns can lead to increased vulnerability to state-led propaganda, and distrust towards government and democracy.