JOBS AUSTRALIA REPORT OF VISIT TO TAIWAN

In the week of August 12-17\textsuperscript{th} the Council of Labour Affairs in Taiwan hosted a workshop and study tour for a range of international organisations with interests in employment, skills and training to learn about the Taiwan government’s program to promote employment and local development - economic, social, cultural, and environmental - development through the Multi-Employment Participation Project (MEPP).

At the workshop, which preceded a week’s tour of MEPP projects, I had the opportunity to describe social enterprise employment activities in Australia. A copy of that presentation is included in this document.

This report is written for Jobs Australia member organisations, the federal Department of Employment, and any organisations and individuals around Australia who have an interest in promoting employment, economic and social advancement through social enterprise. It includes information provided by the Council of Labour Affairs in the Executive Yuan, my observations from the visit, and some brief research undertaken to write up this report.

I am very grateful to Director General Lin and Julius Liu, of the Council of Labour Affairs, who managed the MEPP workshop and arranged our tour of a wide range of social enterprises across Taiwan. Our group benefited from many conversations with Mr Liu about Taiwan’s history and economy, its culture, labour market and skills system and current policy challenges for the Taiwanese government.

This report may also be of interest to other people who participated in the MEPP workshop and the tour, and I would welcome from them any corrections, suggestions, or record of their own observations.

Dr May Lam
Policy Manager
Jobs Australia
miam@ja.com.au
TAIWAN’S ECONOMY AND LABOUR MARKET

There are a number of similarities between the Australian and Taiwanese economies.\(^1\) Population size is similar, though the landmass of Australia is 200 times the size of Taiwan. Average per capita income in terms of actual purchasing power is similar. Australia’s unemployment rate is slightly higher at 5.7 per cent.

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>23.1 million</td>
<td>23.3 million</td>
</tr>
<tr>
<td>Land Area</td>
<td>7,692,024 km(^2)</td>
<td>36,193 km(^2)</td>
</tr>
<tr>
<td>Proportion Indigenous</td>
<td>2.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Population aged 15-64</td>
<td>67%</td>
<td>74%</td>
</tr>
<tr>
<td>Economic Growth Rate</td>
<td>2.6% (year to March Quarter 2013)</td>
<td>2.4% (2013 forecast)</td>
</tr>
<tr>
<td>Per Capita GDP (PPP)</td>
<td>$Int44,074*</td>
<td>$Int40,393*</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.7% (June 2013)</td>
<td>4.2% (June 2013)</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>65.3%</td>
<td>58.4%</td>
</tr>
</tbody>
</table>

\(^*\) Purchasing power parity

GOVERNMENT MANAGEMENT OF UNEMPLOYMENT

This brief background establishes the economic and social policy context for social enterprise creation in Taiwan.

As for many Asian nations, the foundation of social welfare in Taiwan has traditionally been the family, and in the post WWII period, the Taiwan’s market-oriented policies and strong economic growth combined to keep unemployment relatively low until the 1990s.

Growing democratisation in Taiwan led to a larger role for the State in labour law, health and social welfare provision. Demands on social welfare in particular have been accelerated by an ageing population and greater unemployment due to economic restructuring that saw a great deal of manufacturing—the pillar of the Taiwanese economy—transfer to lower-wage countries like China.

Provisions for employment insurance were initiated in the 1990s.\(^2\) This social insurance system is funded by the insured person (.2% of monthly earnings), the employer (.7%) and the government (.1%) and provides income for a time-limited period following unemployment. It is payable to people who are currently registered at a public employment office as capable and willing to work and who have not declined a suitable job offer. It is suspended if a suitable job offer, counselling, or vocational training is refused or the person fails to report to a public employment office once a month. People who have become involuntarily employed and who go into full-time vocational training organised by the public employment service can get a vocational training living allowance.

In comparing Taiwanese income support arrangements for unemployed people with Australia’s system, it is important to recognise that in Taiwan that an important cultural institution of social insurance is the family. It

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\(^1\) Information researched and provided by Carmel O’Regan, Department of Education Employment and Workplace Relations, August 2013.

\(^2\) http://issa.int International Social Security Association Taiwan information, sourced September 2013.
is traditionally a matter of honour for families to care for members who are unable to provide for themselves, though as noted above, this is changing.

In Taiwan the Council of Labour Affairs manages labour relations, welfare, planning, and skills testing, standards and benchmarking. Under this structure, the Bureau of Employment and Vocational Training is responsible for:

1. Conducting orientation training and on-the-job training.
2. Conducting employment consultation, employment services, job matching, etc.
3. Facilitating employment consultation, employment services, job matching, etc.
4. Performing permission and management of employment of foreigners.

A Bureau of Labour Insurance manages the payment of unemployment benefits.

**DEMAND AND SUPPLY IN THE LABOUR MARKET**

Two related trends in education and employment in Taiwan are similar to the Australian experience and related challenges for policy.

**Mis-match between education system outputs and labour market opportunities** The Taiwanese population in general puts a high value on education, and this, combined with relatively high per capita income and significant government investment in the university sector, has resulted in high levels of degree and postgraduate qualifications for young people, particularly in the past decade. However the higher education sector has not aligned its qualifications and numbers of graduates to the demands of industry, so that not all graduates can readily find jobs. This is exacerbated by the privileging of higher education over vocational training, due to government funding priorities, as well as the perception that university degrees and higher degrees improve one’ chances in the labour market.

The relative over-supply of professional-qualified graduates means that salaries for this group upon entry to the workforce are low and that a return on the significant investments made by individuals and their families in university education cannot be readily realised. As a benchmark, minimum wages per month are US$650(or NT$18,780), but typical salaries for non-engineering graduates are in the range of US$750(or NT$22,000) to US$840(or NT$25,000)

Foreign workers required in significant numbers. In 2013 there are an estimated 470,000 foreign workers in Taiwan, coming (in order of magnitude) from Indonesia, Thailand, the Philippines and Vietnam. These workers undertake the ‘dirty, dangerous, demanding jobs that Taiwan’s working age population are not willing to work in, or poor enough to be compelled to undertake. Examples of these jobs are unskilled manual work, domestic work, and, increasingly, care work, particularly for the aged.

**EXAMPLES OF BUREAU OF EMPLOYMENT AND VOCATIONAL TRAINING WORK**

Two examples of the work of the Bureau of Employment and Vocational Training of interest are:

**Foreign workers information and support service** To protect low-income foreign workers, the Bureau of Employment and Vocational Training (BEVT) has implemented a successful program that provides a 24 hour ‘meet and greet’ service for all foreign workers arriving in Taiwan. These BEVT staff provide, immediately upon foreign workers’ arrival, information and advice about their employment rights, along with a 24-7-365 toll-free call service with easy-to-remember pin in case of difficulties. If an employee in these circumstances makes a complaint or raises a concern, they are visited by a BEVT staff member, along with a social worker if needed,
and if the employment relationship breaks down, the worker is found an alternative job where possible. This important and useful role played by the government service reduces the risk of foreign workers being exploited by labour agencies.

**Job search terminals in 7 Eleven stores** Computer terminals in 7 Eleven stores make job search accessible for people who are looking for work. The i-bon project provides the latest information on job opportunities, talent seeking bazaars, and VET information available since 2010; all information are categorized by administration jurisdiction to facilitate the users to search their local reference. Any job-seeker or talent seeker can use the i-bon without any charge unless the insignificant printing charges for requested information.

**MULTIPLE EMPLOYMENT PROMOTION PROJECT**

The Multiple Employment Promotion Project was initially introduced as a way to promote and fund employment following the September 1999 earthquake that killed thousands of people. This economic and social reconstruction work was delivered in successful partnerships with a wide range of third sector organisations, and has evolved into an ongoing social enterprise development support program.

Main milestones for the program are:

1999  
Job creation in disaster-afflicted areas following the 921 earthquake

2000  
Employment reconstruction – following EU experience in developing Third Sector employment

2001  
Sustainable Taiwan employment project

2002  
Multiple Employment Promotion Program

2010  
Morakot Typhoon – The Empowerment Employment Program

2011  
Socio-Economic Development Office – starting to promote social enterprise

Under the program, non-profit organisations, local government authorities, and other eligible entities propose projects creating employment in creative ways, using:

1. the various kinds of local resources that are available through third sector or government organisations: both skills, knowledge, networks and activities as well as other resources such as land, buildings, or natural resources;
2. the skills and labour provided through MEPP grants.

It is intended that the enterprises will become economically sustainable over time. The recent creation of the Socio-Economic development office reflects the government’s aim to foster social enterprise activities more broadly across Taiwan.

Over 12 years this job creation program has employed 125,036 people. It is now an ongoing government program, with funding awarded year by year.

**MEPP OBJECTIVES**

The program benefits its three stakeholders in complementary ways:

1. For the **participants** the program provides income from employment, improves their skills and work experience and employment prospects for the future.
2. For the **government**, working in cooperation with non-government organisations supports the creation of local employment opportunities, and the development of the local economy. It also strengthens the fabric of civil society.
3. For participating non-government organisations, the program supports the achievement of organisational social mission and builds their financial sustainability for the future.

After years of implementation, the program has diversified into such activities as the preservation of local cultural and historic relics and folk art, natural environment and ecology tours, handicraft creations, native cuisine, unique agricultural products, after school care for children, day care for babies, home care for elders, the investigations of historical events, ecological preservation and protection, waste recycling, and environmental greening.

HOW MEPP WORKS

Non-government organisations or government entities are invited to propose plans for creative economic or social projects that reflect the characteristics of local industries and that have developmental prospects. For government institutions, only social-type projects are allowed. Economic-type projects aim to create businesses that will become profitable and self-sustaining.

FUNDING

Upon the approval of the plans, the Council of Labour Affairs subsidises salary, pays the labour insurance premium and contributes towards the expenses of personnel retained by the organizations for implementing the project.

<table>
<thead>
<tr>
<th>Expense subsidy (complete reimbursement)</th>
<th>Wage expenses</th>
<th>Other expenses</th>
<th>Administration expenses</th>
<th>Australian exchange rate at August 2013 was approx. $30 NT$ per AUD$ Cost of living is lower in Taiwan (see note on purchasing power parity on p. 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• NT$102-125 per hour. (The maximum monthly hours are 20-176 hours.)</td>
<td>• Economic-type projects: 15% of the wage expenses</td>
<td>• 1-4% of the total management expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Project manager: NT$29,700-34,000 per month, depending on education and experience backgrounds</td>
<td>• Social-type projects: 5% of the wage expenses</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Project executive: NT$ 25,000 per month</td>
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</table>

By the end of July 2011, the CLA Employment Stability Fund had invested NT$15,200 million (approximately AUD$500 million) to create around 90,000 jobs through 6,979 projects.
PERIOD OF SUBSIDISATION:

Subsidy for a government-entity project is 6 months maximum in principle.

For non-government organisations, the maximum period of subsidy for the same project is three years. A satisfactory performance evaluation precedes the approval of funding on an annual basis.

Projects that continue beyond three years are entitled to get a wage subsidy for one staff member if the organisation itself funds a staff member for the project.

PROJECT MANAGEMENT, CONSULTATION AND PROMOTION

Project management: All the employment service centres of the Bureau of Employment and Vocational Training of CLA are in charge of the promotion, application, screening and evaluation of the projects.

Consultation guidance: All the employment service centres should organize consultation guidance teams to evaluate the performance of the project-execution units, bring in the resources of enterprises or other agencies of the government once needed, in order to increase the performances and effectiveness the NGOs.

Promotion and sales: To promote the program and its products, large co-marketing activities and a website (gofun.evta.gov.tw) can be held for demonstrating achievements of various groups in time, also festival product catalogues introducing specialties and tours all over Taiwan for the ready reference of both private and public sectors.

<table>
<thead>
<tr>
<th>Social-type projects</th>
<th>The core value of the scheme is the promotion of employment</th>
<th>Economic-type projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>- promote public interest</td>
<td>- develop local enterprises</td>
<td>Aims:</td>
</tr>
<tr>
<td>- improve living environment</td>
<td>- offer employment channels</td>
<td></td>
</tr>
<tr>
<td>- enhance social welfare</td>
<td>- temporarily relieve shortage of family income, support the creation of start-up businesses that can become financially self-supporting, build employment capacity</td>
<td></td>
</tr>
<tr>
<td>- employability-oriented trainings</td>
<td></td>
<td>Aims:</td>
</tr>
</tbody>
</table>

MEPP TARGET GROUPS

Almost all the participants are disadvantaged people and those who have become unemployed involuntarily. It is a requirement of the program that the public employment service identifies and places the people who are eligible for employment under the MEPP.

<table>
<thead>
<tr>
<th>Economic-type projects</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary unemployed people</td>
<td>Middle- and old-aged (over 45-year-old) unemployed people</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social-type projects</th>
<th>Targets are limited to members of disadvantaged groups, or other conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Families with single income</td>
<td>Middle- and old-aged</td>
</tr>
</tbody>
</table>


Mentally or physically disabled
Aborigines
People with work ability but from subsidized household
Long-term unemployed
Ex-convicts under rehabilitation protection
Victims of domestic violence or sexual assaults
Women who quit jobs for more than two years for family reasons and are willing to return to the labour market
Others who are granted by government institutes

Program participation by disadvantage characteristics for the period 1 Jan 2009 until 30 June 2013 are as follows; note that participants counted here may have more than one characteristic:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term unemployed</td>
<td>7%</td>
</tr>
<tr>
<td>Laid-off workers</td>
<td>21.3%</td>
</tr>
<tr>
<td>Low income family</td>
<td>2.2%</td>
</tr>
<tr>
<td>Indigenous people</td>
<td>16.5%</td>
</tr>
<tr>
<td>Disabled</td>
<td>8.3%</td>
</tr>
<tr>
<td>Senior and middle-aged</td>
<td>75.8%</td>
</tr>
<tr>
<td>Single income family</td>
<td>2.4%</td>
</tr>
<tr>
<td>Women</td>
<td>62%</td>
</tr>
<tr>
<td>Men</td>
<td>38%</td>
</tr>
</tbody>
</table>

THE MEPP WORKSHOP PROGRAM AND SOCIAL ENTERPRISE TOUR

The program for the week beginning 12th August 2013 started with a workshop to provide information about the MEPP for international guests, government officials, and people working in the MEP Program.

At the workshop the Council of Labour Affairs was presented with an award for the MEP program by the International Federation of Training and Development Organisations (IFTDO), a world-wide network of organisations working to promote human resources development through learning, skills, training and development.

INTERNATIONAL DELEGATES

The workshop and the tour were attended by a range of people from different countries and international organisations. They were:

- Uddesh Kohli       Secretary General, International Federation of Training and Development Organisations
- Angeles Bermudez-Svankist President, World Association of Public Employment Services
- Lenka Kint        Executive Secretary WAPES
- David Hoey         CEO, World Skills International
- Jos de Goey        World Skills Europe
- Lee Sang Hyon      Korea Employment Information service
- Kim YoungHwan      President of Institute of APEC Collaborative Education
- Patrick Piche      Cluster coordinator of the social economy in Greater Longueuil, Quebec
THE MEPP WORKSHOP

The program for the workshop was:

San-Quei Lin, Director General, Bureau of Employment and Vocational Training, Council of Labour Affairs, described the MEPP program, its origins, purposes, the profile of participants assisted and some of the kinds of social enterprise activities generated by the program.

May Lam, Jobs Australia, gave an account of the social enterprise sector in Australia and the government’s role. This included some case studies of enterprises aimed at creating jobs for previously unemployed people.

Patrick Piche gave an account of the social economy in Canada, focusing on Quebec: its relation to government and to private businesses, and the various kinds of development support and advice available to foster social enterprise. This included case studies of enterprises with social and employment goals.

SOCIAL ENTERPRISES SUPPORTED BY THE MEPP

A number of social enterprises supported by the MEPP were part of the tour itinerary. Though this report is only confined to their main features, it is important to put on record the evident pleasure and pride of the managers and staff of these projects in showing what they had achieved. We saw a great variety of workplaces where jobs had been created with government support, in all kinds of industries, and in all of them there was evidence of a commitment to employee well-being, a commitment to quality in the services or goods being produced, and of community and citizen participation.

Case studies from the MEPP workshop:

Taipei Lujhou Lee Family House Historic Preservation Foundation: This heritage building and estate park, through the preservation foundation, was supported with management and maintenance personnel, that supported the opening of the building and a memorial gallery on the site.

Zhongliao Long-Yan-Lin Welfare Association developed from a community organisation formed to help people rebuild their homeland after the 1999 earthquake. This supported a tourism development based on a specialist local agricultural product, longan fruit; it also supported the preparation and delivery of meals for seniors in the community.

Taiwan Farmer Cooperative Company was established after the 2008 typhoon that destroyed 80% of farmland, and supported the renting out of abandoned fields to restore native flora and fauna and help farmers cultivate plants suited to local conditions; a cooperative to support the distribution of agricultural products, and an ecological agriculture and fishery demonstration park.

Taipei Parents’ Association for the Visually Impaired was originally founded by parents of visually impaired children to support their learning and development. This has expanded into three divisions: education, rehabilitation, and now an employment-creating service providing piano tuning and trading second hand pianos, Braille translation and the construction of models. The piano tuning service provides an important alternative to the tradition occupation of massage for people without sight.

Social enterprises visited on tour.
**Yu-Cheng Organicyam Factory** was founded by parents of children with intellectual disabilities. This very well equipped bakery café and shop in Taipei supports a training and employment program for young people with intellectual disabilities, while providing a high-end outlet for boutique organic produce and baked goods produced in store.

**DaGiLi restaurant** is a local tourism enterprise whose mission is to promote cultural awareness and exchange and development opportunities for local Indigenous people. This community restaurant serves fresh locally sourced produce cooked in traditional dishes, with food to such a high standard that the author of this report intends to return with her family. Diners are treated to traditional songs and dancing from a group of local children. An artist-in-residence is accommodated in a tree-top studio that can be visited.

**Original-Love Workshop Association**

**Hualian Wetland Conservation Association** was created by people with a commitment to the protection and preservation of the natural environment and wildlife. The Association works on areas of land to cultivate native plants in order to support native wildlife; it advises the government about native habitat and species and provides public and school education services about environment preservation. One successful initiative to support its education program has been the cultivation of the ‘butterfly life tree’, a plant provided to schools upon which the developing stages of a butterfly can be observed by students.

**Old Railroad Bridge Education Wetland Zone**

**New Taipei Doll’s Community Co-operative Association** in Taipei grew out of the Barbie manufacturing boom from the 1960s till the 1980s, when production began to move to lower-cost countries. Thousands of workers were originally employed in the manufacture of the dolls and their clothes and these skills remain among the now-older women, who find employment in this enterprise by maintaining a shopfront museum and manufacturing customised Barbie clothes for a wide range of Barbies that include costumes from among Taiwan’s 14 Indigenous groups, national costumes from around the world, and famous women from the contemporary era.

**MEASURES FOR FUTURE DEVELOPMENT**

In future, the government aims to:

1. Strengthen the MEPP program, to be developed into the Empowerment Employment Program (EPP) to strive to achieve its core value of “making the unemployed employed effectively”, to gear the program to the government policies to assist disadvantaged groups, continue to create more opportunities for local employment, and provide special assistance for special and urgent cases.
2. Help NGOs transform into social enterprises so that they can stand on their own feet for sustainable operations and become the Third-Sector to employ the unemployed persons of disadvantaged groups.
3. Put the MEP Program on the map and provide assistance to commercialize and market their products worldwide to compete in global markets, to obtain accreditation, to broaden marketing channels and to establish brand names so that program participants can increase their income, enjoy stable employment, and keep a better life.