

Taiwan's job market for foreign workers

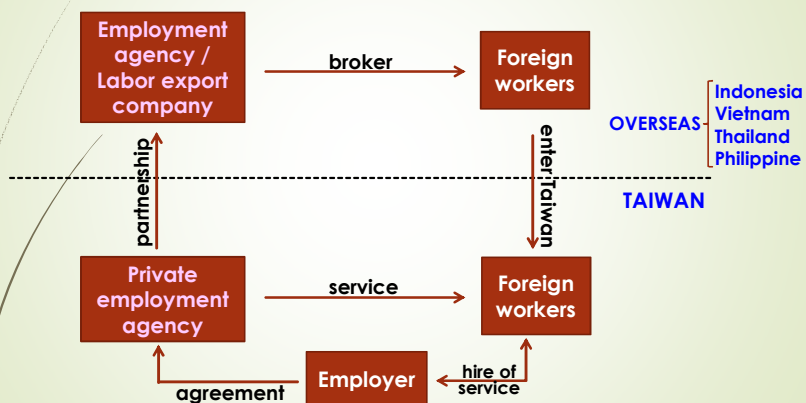
3 History of introducing foreign workers

- Unbalanced labor supply and demand in Taiwan has resulted in a lack of basic manpower
- In response to a number of economic issues, the Council of Labor Affairs (CLA) decided to open up Taiwan's job market to foreign workers starting from **October 1989**.

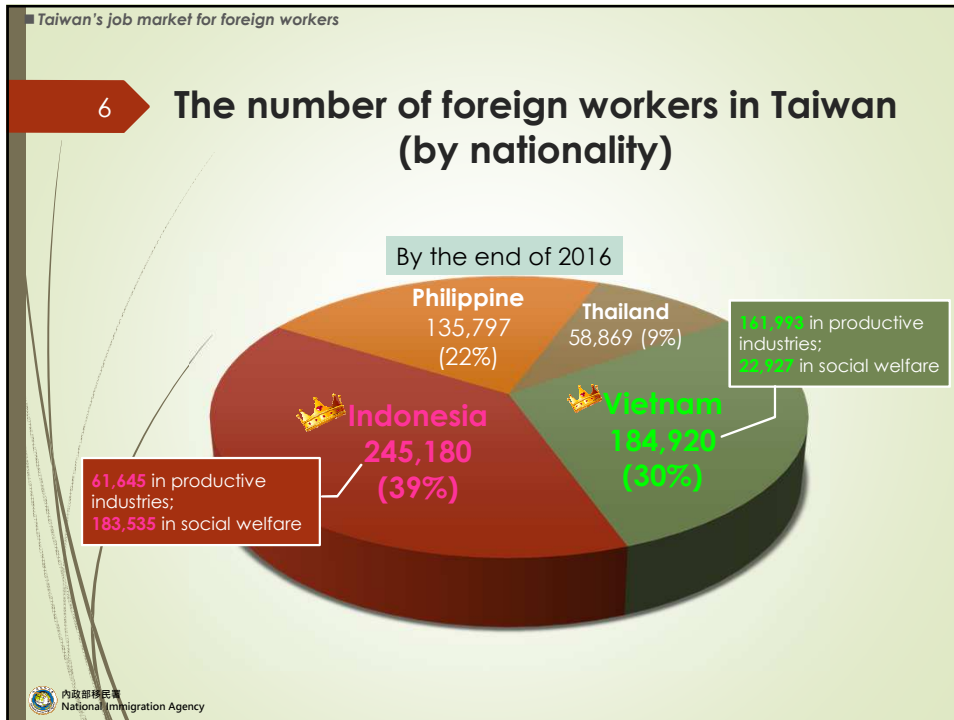
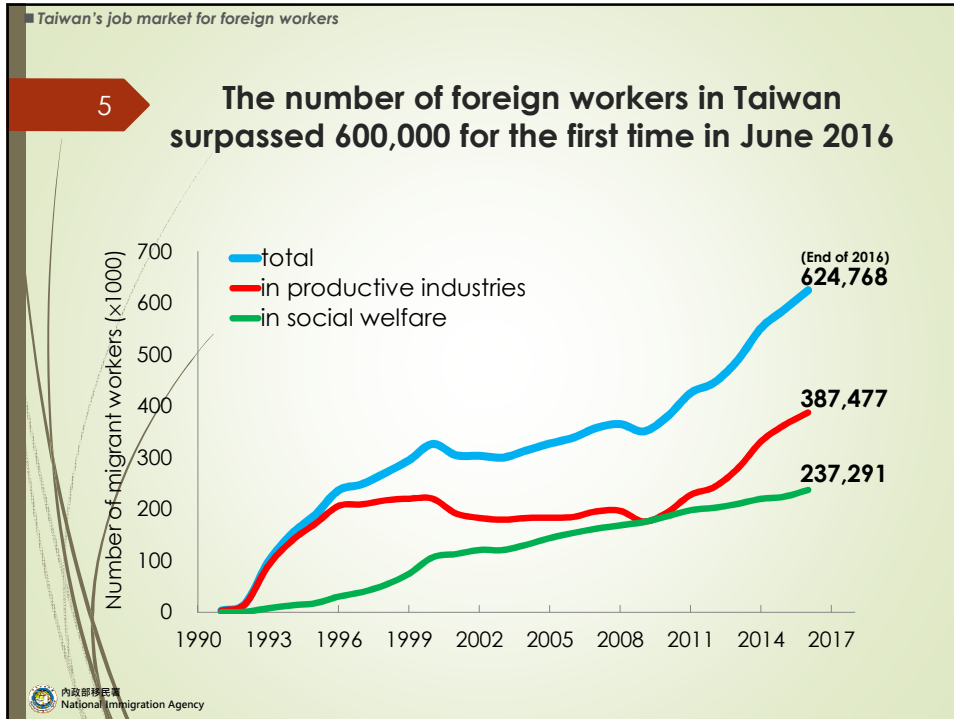
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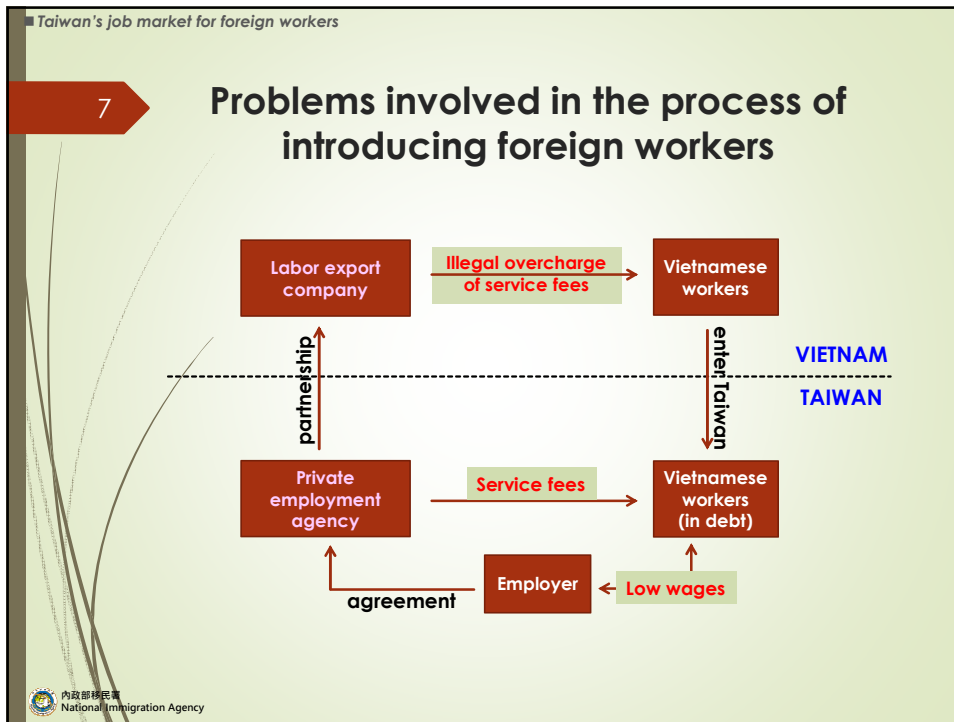
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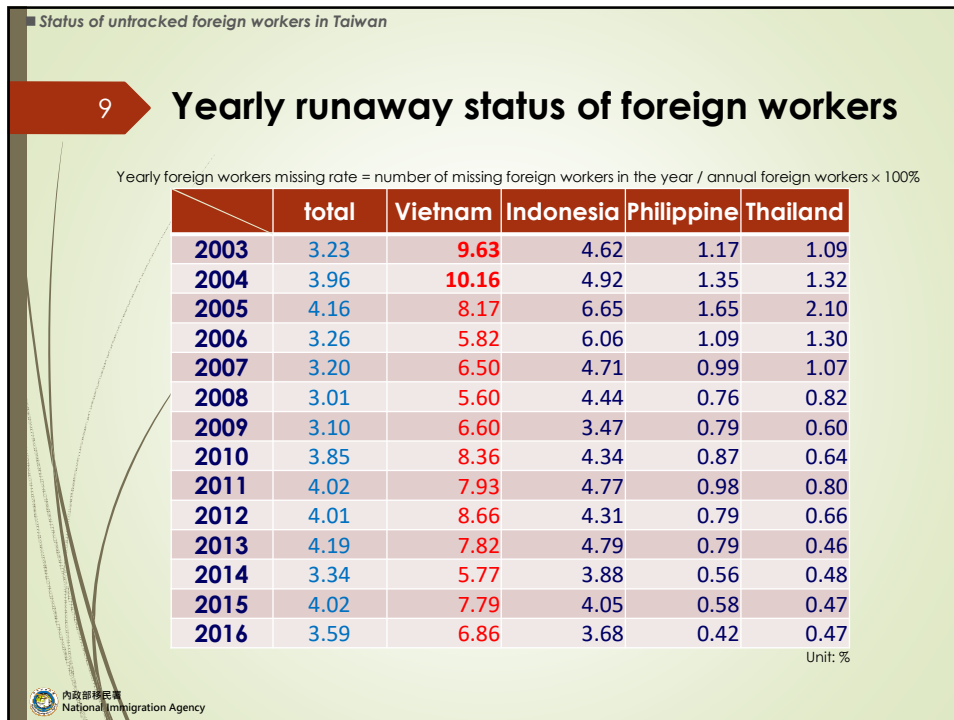
4 Processes of introducing foreign workers



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■ Status of untracked foreign workers in Taiwan

10 “Surrender” Policy

Untracked foreign workers file for permission on exit the country at local NIA service unit

- ▶ Airplane/boat ticket, payment of fine and a valid travel document are required
- ▶ Untracked foreign workers who are permitted to depart and go back home would not be detained before their departure of the country within 30 days

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Introduction of Decree No. 95/2013/ND-CP and the subsequent effect

11 Decree No. 95/2013/ND-CP

On Penalties for Administrative Violations Against Regulations on Labor, Social Insurance, and Overseas Manpower Supply

- ✓ Issued by Vietnamese government
- ✓ Adopted on 22 August 2013
- ✓ Took effect on 10 October 2013


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Introduction of Decree No. 95/2013/ND-CP and the subsequent effect

12 Decree No. 95/2013/ND-CP

Article 35.

Violations committed by Vietnamese guest workers

Each of the following acts shall carry a fine of from 80,000,000 VND to 100,000,000 VND:

- a) Illegally staying in the host country after the labor contract or visa expires;
- b) Illegally leaving the contractual workplace;
- c) Failing to go to the contractual workplace after being admitted by the host country;
- d) Enticing, forcing, deceiving Vietnamese workers into staying in the host country illegally.


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Introduction of Decree No. 95/2013/ND-CP and the subsequent effect

13 Timetable of Decree No. 95

- ✓ Took effect on **October 10, 2013**
- ✓ **Transitional provisions (grace period)**
 - The Vietnamese workers overseas that illegally stay in the host country after the labor contracts expire before the Decree takes effect, and wish to go back to Vietnam within 3 months from the day on which this Decree takes effect, Article 35 of this Decree shall not apply to such workers.
 - Extended for 2 months to **March 10, 2014**

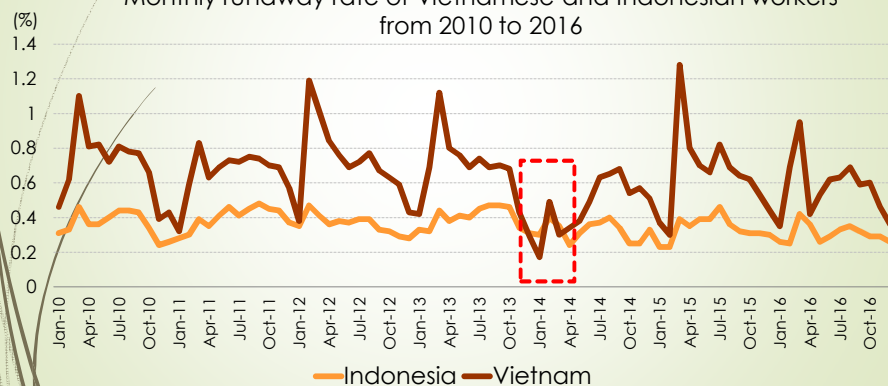
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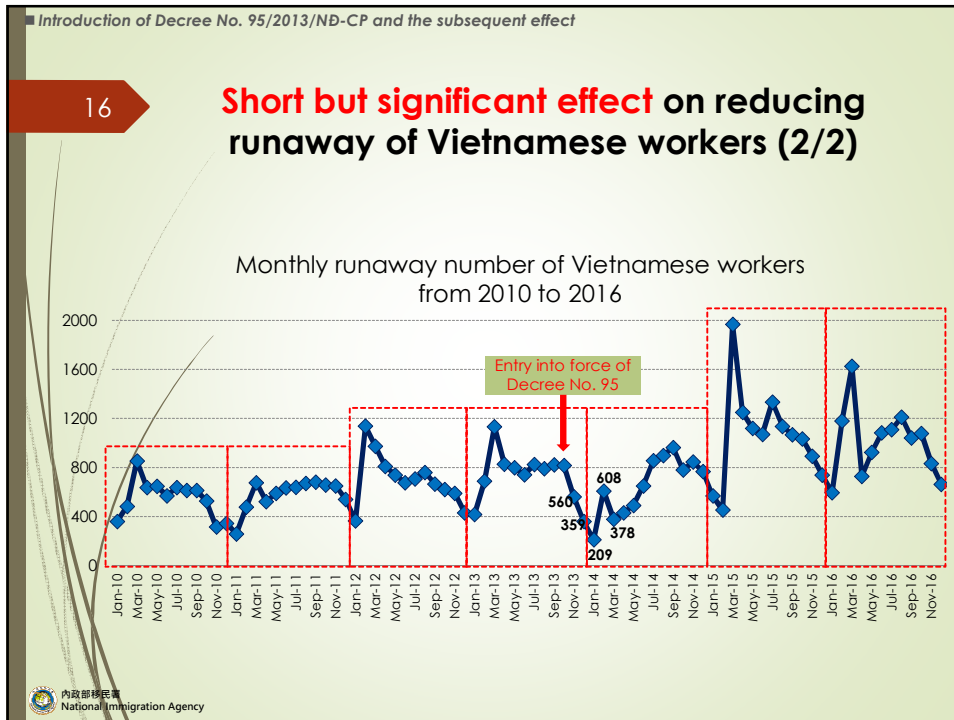
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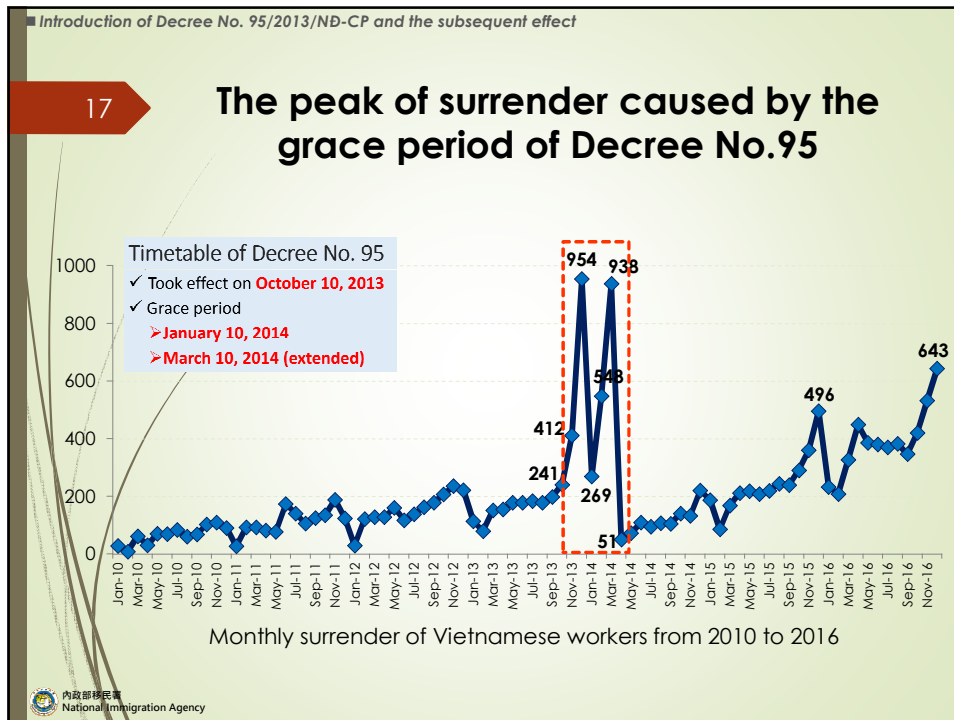
Short but significant effect on reducing runaway of Vietnamese workers (1/2)

Monthly runaway rate of Vietnamese and Indonesian workers from 2010 to 2016



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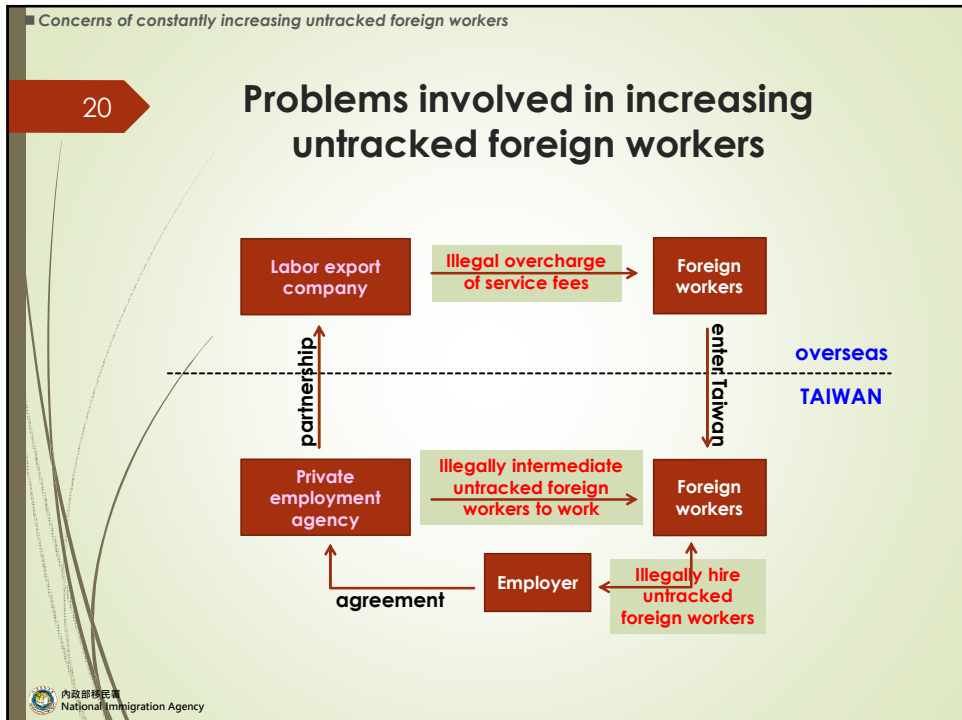
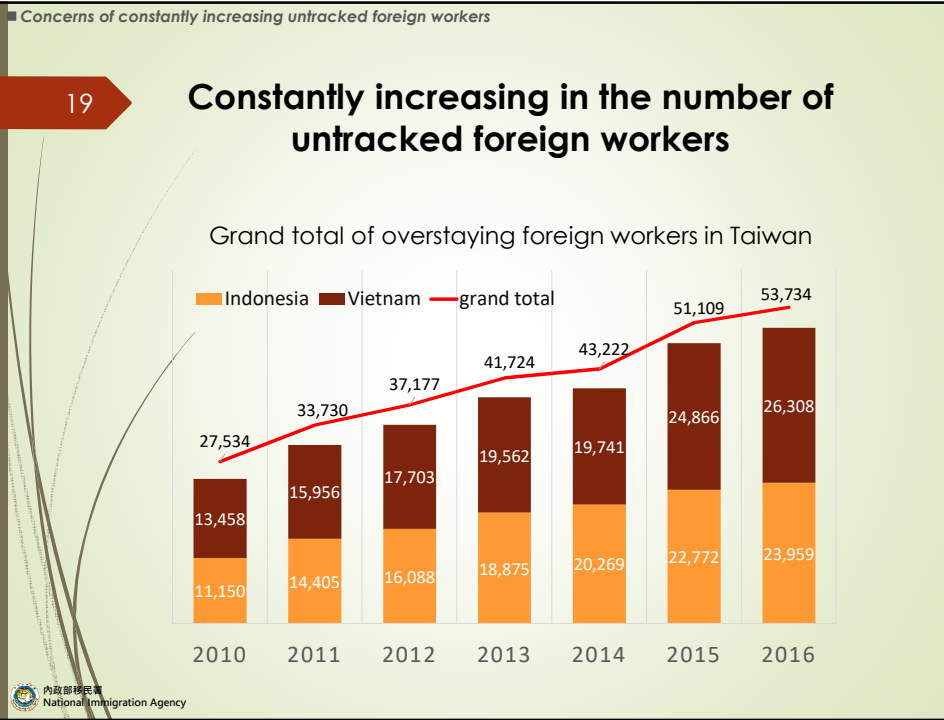


Introduction of Decree No. 95/2013/ND-CP and the subsequent effect

18 **The effect of Decree No. 95**

- **Short but significant effect** on reducing the number of runaway Vietnamese workers
- **the hefty fines for runaway workers:**
given that the average wage in Vietnam is around 150 USD a month, someone working in the country would have to toil without paying for food and water for more than 2 years to pay up

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Concerns of constantly increasing untracked foreign workers

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Status of Crimes Committed by Foreign Workers (1/2)

By Nationality

	Grand total	Indonesia	Philippines	Thailand	Vietnam
2010	297	42	37	77	140
2011	326	42	27	143	114
2012	663	93	59	224	284
2013	1016	205	83	239	483
2014	940	180	126	216	417
2015	1023	176	112	315	420
2016	1296	165	167	357	607

Source : National Police Agency,
Ministry of the Interior

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Concerns of constantly increasing untracked foreign workers

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Status of Crimes Committed by Foreign Workers (2/2)

By classification of crimes

	Larceny	Offenses against public safety	Narcotics	Violent crimes*	Others	Grand total
2010	133	0	0	12	152	297
2011	121	0	0	16	189	326
2012	236	0	0	26	401	663
2013	329	157	132	25	373	1016
2014	287	155	165	30	303	940
2015	247	193	228	22	333	1023
2016	266	363	326	36	305	1296

*Violent crimes include serious injury, murder and nonnegligent manslaughter, forcible rape, kidnapping, intimidation, robbery, forceful taking.

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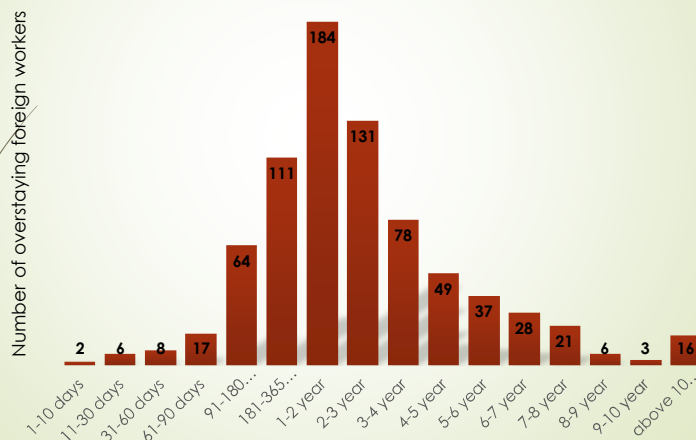
The current penalty mechanism for untracked foreign workers

- Immigration Act--Article 85
 - An alien overstays a visit or a period of residence, he shall be fined **between 2,000 and 10,000 NTD**.
- Penalty standard

Overstaying period	Penalty of overstaying (in NTD)
under 10 days	2,000
11-30 days	4,000
31-60 days	6,000
61-90 days	8,000
above 91 days	10,000 (€300)

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Distribution on overstaying period of untracked foreign workers who surrender at local NIA service unit in 2016



■ Evaluation of a new "Penalty Standard"

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The current penalty applied on the overstaying foreign workers who surrender at NIA local service unit in 2016

Overstaying period	Number of overstaying	Percentage (%)	Penalty (in NTD)
under 10 days	2	4.34	2,000
11-30 days	6		4,000
31-60 days	8		6,000
61-90 days	17		8,000
91-180 days	64	95.66	10,000
181-365 days	111		
1-2 year	184		
2-3 year	131		
3-4 year	78		
4-5 year	49		
5-6 year	37		
6-10 years	58		
above 10 years	16		
Grand total	761		

■ Evaluation of a new "Penalty Standard"

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Evaluation of a new "Penalty Standard" for untracked foreign workers (1/2)

- The benchmark of overstaying period set up by the current penalty standard is no longer suitable for the real circumstances
- A more reasonable distinction of penalty system should be introduced to adapt different overstaying situations (i.e. by the purposes of their coming to Taiwan)

■ Evaluation of a new "Penalty Standard"

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Evaluation of a new "Penalty Standard" for untracked foreign workers (2/2)

- ✓ **The mentality of willing to surrender**
two reasons for untracked foreign workers who are willing to turn themselves in: irresistible factors or have made enough money
- ✓ **Pay off the expensive fee charged by labor export companies**
a Vietnamese worker who applies to come to work in Taiwan must pay off the expensive fee of about \$ 5,500 to \$ 7,000
- ✓ **Wages earned during illegal work**
the average monthly salary of illegal working is about \$ 600, therefore, a year income is around \$ 7,200

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■ Evaluation of a new "Penalty Standard"

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Evaluated Penalty Standard for untracked foreign workers who surrender

Overstaying Period	Penalty of Overstaying (in NTD)
under 60 days	2,000
61-120 days	4,000
121-180 days	6,000
181-240 days	8,000
241-365 days	10,000
366-548 days	15,000
549-730 days	20,000
above 731 days	30,000
above 731 days and not through surrender	50,000

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■ Evaluation of a new "Penalty Standard"

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Number of overstaying foreign workers in Taiwan till 2015

Overstaying period	Number of overstaying
under 10 days	129
11-30 days	820
31-60 days	1,469
61-90 days	1,655
91-180 days	5,559
181-365 days	9,755
1-2 years	11,013
2-3 years	8,143
3-4 years	4,756
4-5 years	3,673
5-6 years	2,435
6-10 years	3,563
above 10 years	1
total	52,971

63.4%

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■ Suggestion and conclusion

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Suggestion

■ **Enhancing the willingness of untracked foreign workers to surrender**

Does consider the affordability of foreign workers: the elevated fines aren't too much in comparison with the current penalty; reassessed benchmark of overstaying period matches well with the current situation

■ **Correct "the longer the more cost-effective" attitude of untracked foreign workers**

By setting precise benchmarks of administrative fines and giving a grace period before implementing the new penalty standard, it will effectively motivate untracked foreign workers to surrender

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■ Suggestion and conclusion

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Conclusion

- In line with the needs of economic and social development in Taiwan, **there is still the need for the import of foreign labor force.**
- **Many reasons contribute to runaway issue of foreign workers**, including high broker fees, lower wages paid to hire a runaway foreign worker and local employment agency involved in intermediating runaway workers to work illegally...etc.
- **Ultimately, finding solutions to effectively overcome the issue of illegally overstayed foreign workers.**

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