

# Balancing Openness and Control: Immigration Policies in Taiwan and Europe\*

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## Abstract

Like most developed countries, Taiwan and the EU member states are facing demographic and labour market problems. Against the background of an ageing and declining population, immigration could help address labour and skills shortages. The liberalization of immigration policy induced by labour shortages is, however, limited. Most governments want to have a choice with regard to quantity and skills composition. And in times of rising unemployment among domestic workers as a result of the global financial crisis, immigration policies bound to balancing openness and control tend to shift towards the latter and become increasingly selective and security-centric. While governments try to attract highly skilled white-collar workers with rather constricted variations of the American green card, public discourse in Taiwan and the EU focuses on blocking illegal and irregular immigrants and restricting the free flow of cheap labour. In Taiwan this discourse is further influenced by the unique situation in the Taiwan Strait and the public fear of a massive inflow of workers, spouses, and students from the mainland. This article provides some facts on the volume, origin and motives of immigrants to the EU countries and Taiwan and discusses the immigration policies of the EU and Taiwan. Despite rather different geographic and political conditions, the demographic and labour market challenges, as well as opportunities for immigration, are quite similar in Europe and Taiwan.

**Keywords:** EU, Taiwan, Demography, Immigration, Labour market

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“An appropriate management of labour migration requires a comprehensive approach, since it is interwoven with sensitive domestic issues such as national sovereignty and governmental incompetence to safeguard or provide jobs to its people” (Chu 2005).

## I. Introduction

The degree to which international migration is helping to adjust supply and demand for workforce across borders seems to be less dramatic than generally assumed. About 190 million people were on the move worldwide in 2005, an increase of 110 million from 1970. Not only was this increase largely due to the dissolution of the former Soviet Union, which transformed internal migrants to international migrants, it also lagged far behind the expansion of commodities and capital in the same period. As a fraction of world population, the number of migrants only increased from 2.5 % in 1970 to 2.9 % in 2005. Moreover, approximately 56 % of the world’s international migrants are in the most developed regions (in 2000), an increase from 40 % in 1960, and a large portion move from other high-income countries; migration from the least developed countries appears to be into neighbouring developing countries. Finally, a large proportion of international migrants return home. These facts suggest that geography matters, with distance deterring migration, and that reluctance to relocate is more important than border controls (Lucas 2008).

Population movements are not necessarily conterminous with the movement of labour across borders. The majority of migrants enter new countries under family reunification schemes, and, in addition, students represent one of the most rapidly expanding categories of international migrants. Yet no matter why migrants arrive (for reunification, to study, or for asylum), it is common for them to work. Thus, even the prevailing level of immigration is one of the most debated and controversial topics today – not only in politics, media and academia, but also, and even more so, in the broader public. Only recently an industrial dispute over employing foreign workers in the UK (‘British jobs for British workers’) bothered the EU. One of the workers’ grievances was the impact of rulings at the European Court of Justice regarding the free movement of labour, which have weakened local workers’ protection (IHT, 4.2.09).

Closing borders, however, is no way out of the immigration dilemma since the dynamics of globalization have been imposing ever stronger limits on traditional notions of the nation state and its territorial sovereignty. Thus rules are needed that achieve an efficient balance between economic and cultural openness on the one hand and control on the other: openness in order to let in immigrants whose work and talents will promote growth, and control to prevent illegal and irregular immigration. Moreover, a third key factor for immigration policy is integration, in order to achieve social cohesion, since immigration is not just an economic conundrum but also a cultural and humanitarian one. In order to balance these elements, immigration policy must manage immigrants who are already living in the country as well as future immigration flows.



This holds true in Taiwan and in EU countries, although, at first glance they seem to have little in common. The EU is an association of ‘compound states’ covering almost the whole of the European continent and with extensive maritime and land borders,<sup>1</sup> whereas Taiwan is a rather small state surrounded by the Pacific Ocean and facing mainland China. EU member states are characterized by diverse immigration histories. Moreover, immigration policy in Europe is contested not only vertically between Brussels, the national governments and NGOs, but also horizontally between different departments within national governments or EU institutions.

But in Taiwan as well as in the EU and the EU countries, politicians are faced with the need to achieve the right mix of openness and control in order to attract skilled immigrants, to improve the management of low-skilled immigrants, and to deal with illegal immigration. And just as EU member states’ governments are faced with intra-EU migration, the Taiwanese government has to deal with cross-Strait migration issues. In both cases non-economic factors are influencing cross-border mobility: political and social conditions in the sending and receiving countries as well as international relations or regional interactions.

The following discussion is organized into three parts. The first will present some facts on population dynamics and migration in both Europe and Taiwan. In the second I will briefly discuss immigration policies in the EU and Taiwan. The final section will draw conclusions on the issues discussed.

## II. What we are talking about

### 1. Europe

#### a. How many migrants are there?

The population of each EU country can be split into three groups: nationals, other EU citizens and non-EU citizens. On 1 January 2005, the EU-27 accounted for a total of 489 million inhabitants, 462.5 million (or 94.6 %) of whom were nationals and 26.5 million (5.4 %) of whom non-nationals. Of the non-nationals, 68.5 % (18.1 million) were non-EU-27 citizens.<sup>2</sup>

European countries have been countries of emigration for more than two centuries. While the founding member states of the European Economic Community (EEC) have gradually become destinations for international mi-

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1. Next to Southern Europe’s maritime borders, the 1,140 km-long eastern border of Poland is probably the most difficult EU border to police.

2. For the following, see EUROSTAT Database, European Migration Network 2008 and Münz 2006, 2007 unless indicated otherwise. In general, statistics have to be viewed with some caution since international migration flows are usually measured by two different statistical bodies using rules that may differ according to national practices: emigration figures from country A to country B mostly diverge from the immigration figures into country B from country A.



grants over the last 50 years, the migration balance of other members of the EU-27 has only become positive since their entry to the EU. According to 2005 data, 14 of the EU-15 countries and six of the 12 new member states have a positive balance, meaning that more people enter than leave the country. Only the two latest accession countries (Romania and Bulgaria), the Baltic States, Poland and the Netherlands have a negative balance.

The immigration patterns in Europe have changed since the 1990s. While the number of immigrants arriving in Belgium, Germany and the Netherlands has decreased, immigration to southern Europe (particularly to Italy, Portugal and Spain) and to the UK, Denmark and Ireland has increased. In 2005, net migration in absolute numbers was greatest in Spain (+652,000) and Italy (+338,000). Relative to population size, the Greek part of Cyprus had the largest positive migration balance (+27.2 per 1,000 inhabitants), followed by Spain (+15.0).

The development of many of Europe's native populations is stagnating – at least in the EU-15, with an increase of 0.1 % between 2000 and 2004 – and in most of the new EU member states in Central Europe and in several countries in southern Europe it is even declining. Due to the low birth rate in many countries, the number of countries with declining domestic populations is going to increase. In the EU-25, natural growth amounted to +0.07 % in 2005. Thus, we can conclude that the increase of 2.02 million people between January 2005 and January 2006 was mainly driven by immigration. To be exact, the net gain from international migration was 1.8 million people accounting for almost 90 % of the total population growth.

Several countries only showed a growth in population in 2005 because of immigration – in particular, Italy, the Czech Republic and Slovenia. Other countries, such as Germany and Hungary, would have faced much larger population decline without positive net migration. The 'old EU' (EU-15) so far hosts 94 % of all migrants and 97 % of all legal foreign residents living in the EU-27.

### **b. Where are the migrants from?**

In 2005, 8.6 % of the citizens and legal foreign residents of the EU-25, or 39.8 million people, had been born outside their European country of residence.<sup>3</sup> Germany has the largest foreign-born population by far (10.1 million), followed by France (6.4 million), the UK (5.8 million), Spain (4.8 million), Italy (2.5 million) and the Netherlands (1.6 million). Relative to population size, Europe's two smallest countries (Luxembourg and Liechtenstein) head the statistics by a wide margin with 37.4 and 33.9 %, respectively, while Germany ranks ninth with 12.3 %. In the majority of Western European countries, the foreign-born population accounts for seven to 15 % of the total population.

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<sup>3</sup>. Foreign-born inhabitants include those who have retained their foreign nationality and those who have acquired the nationality of an EU member state. In 2007, the EU-27's total population was 497 million (395 million in the EU-15 and 102 million in the EU-12); 43 million (or 8.5 per cent) of these people were foreign-born.



Approximately 3.7 % of the EU-27's population are non-EU nationals. In most of the EU countries non-EU citizens prevail among the non-national population, the exceptions being Belgium, Cyprus, France, Ireland, Luxembourg and Malta, where the number of EU citizens surpasses that of non-EU citizens. In 2004, the main third countries 'sending' their citizens to EU-27 member states were Morocco, Turkey and the Ukraine. By 2006, China had entered this group. The approximately 140,000 Moroccan citizens who had migrated to the EU were followed by the Chinese and the Ukrainians, both groups numbering around 100,000 (CD, 19.11.08).

Migration from third countries outside the EU has seen a substantial increase in recent years, rising threefold between the mid-1990s and the early part of this decade. Recent non-EU migrants, who have arrived since 2000, account for almost one-third of all non-EU migrants of working age. At the same time, inflows have become more diversified, both in terms of origin (with more coming from Central and South America) as well as destination (with more going to southern Europe). This recent inflow of non-EU migrants has been significantly higher (almost 2.5 times) than recent intra-EU mobility (Commission 2008b: 57 f.).

Available data suggest that since enlargement, the number of EU-10 residents in the EU-15 may have increased by around 1.1 million. Romania, Bulgaria, Poland and the UK have had the largest outflows to other European countries, and Ireland and the UK have been the main receiving countries. Taking a snapshot for 2006, 108,548 Romanians migrated to Spain, 74,189 to Italy and 20,758 to Germany; 51,151 Polish citizens went to Germany, 48,038 to Great Britain, 10,523 to Italy, 6,777 to the Netherlands, and 5,989 to Sweden; while 38,367 people from Great Britain moved to Spain.<sup>4</sup> Relative to their population size, Romania and Bulgaria have been the main countries of origin. Mobility flows, however, have been much smaller than initially feared: between 2003 and 2007, the average population share of EU-10 foreigners resident in EU-15 countries increased only slightly, from around 0.2 % to 0.5 %, while that of EU-15 nationals in other EU-15 countries grew from 1.6 % to 1.7 % (Europe's Demographic Future 2008: 10 f.; Commission 2008b: 14 ff.).

After migrants from from EU-10, migrants to the EU-15 countries come in large part from other OECD countries. Among these migrants, the biggest regional blocs are 'Wider Europe' and Africa. In 2000, 16.4 % of all foreign-born inhabitants in the EU-15 came from 'Wider Europe', among these from Turkey 5.8 %, while 13.6 % came from Africa (13.6 %).<sup>5</sup> Sizeable diasporas in EU member states are formed by Turks in Germany; Moroccans, Algerians and Turks in France; Albanians in Greece and Italy; Moroccans and Ecuadorians in Spain; and Ukrainians in Poland. The majority of the foreign-born inhabitants of the Baltic States are of ethnic Russian origin; they

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4. Data are incomplete and do not cover temporary labour migration.

5. OECD Database on Expatriates and Immigrants, 2004, cited from Rhodes, Gaining from Migration, Presentation, 26-27 April 2007 [retrieved 17.10.2008]. Available at <http://www.oecd.org/dataoecd/34/52/38528254.pps>.



settled during the Soviet era and have been decreasing in number since the 1990s.

### **c. Why do they come?**

The pattern of European migration has changed somewhat since the 1950s (see Table 1). While intra-European labour migration has been the dominant type from the very start, it has been complemented by return flows and inflows of family members since the 1970s. The crisis and later the fall of communist regimes and the disintegration of the former Yugoslavia and the Soviet Union have spurred ethnic migration, refugee flows, East-West migration and, finally, new labour migration.

A steadily growing inflow of irregular migrants from North and West Africa, the Middle East and West Asia, which is not fully covered by statistics, has become a major problem, particularly for Italy and Spain. It is estimated to be at least 600,000 persons annually. In total there may be anywhere from 4.5 to 8 million irregular migrants from non-EU countries within the union (Kovacheva and Vogel 2008; Ambrosini 2008).

Nationals from third countries immigrate for temporary and long-term employment, family reunion, or to seek asylum. In the EU-15 in 2004, 25 % of residence permits were granted to third-country nationals for employment purposes, and another 45 % for family reunifications. The inflow of co-ethnic migrants and their dependent family members has been relevant for Germany (German 'Aussiedler'), Greece (Pontian Greeks) and Hungary. In the EU-25, some 268,000 people (including children) filed first-time asylum applications in 2004 and 227,000 in 2005. The three largest member states, Germany, France and the UK, received the largest number of asylum applicants (EMN 2008).

EU citizens are more or less free to move within the EU and to take up residence and employment. The rush of intra-EU migration went hand in hand with the expansion of low-cost travel in Europe. Only citizens of the new EU member states in Central Europe face restrictions. Labour markets in Western Europe will only be opened to them after a transitional period of seven years at most. Member states applying restrictions must review their decision after two years.<sup>6</sup>

Higher household income and better working conditions are the key factors that drive Europeans to move to another country. But recently some of these flows have slowed, suggesting that increasing convergence between old and new member states is already reducing incentives to move. For example, around half of the one million East Europeans who went to Britain after 2004 had left by mid-2008, partly because of improved economic prospects back home, partly for other reasons. The same could be true of other Western European countries where economic growth has slowed and hostility to migrants has increased (Economist 2008).

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<sup>6</sup> For details of transitional agreements see Commission 2008b: 112.



Table 1: European migration pattern (EU-27), 1950–2005

Years	Net migration	Type	Largest inflow	Major outflow (Europe)	Third countries
1950–1960	Negative: -2.6 million	Intra-European labour migration	Belgium, France, Germany, Switzerland	Ireland, Italy, Poland, Portugal, Spain, UK	Maghreb
1961–1970	Very small net surplus	Labour migration	France, Germany	Above and Finland, Greece, Ireland	Turkey, former Yugoslavia, Morocco, Tunisia
1971–1980	Positive: +2.8 million	Labour migration to Western Europe peaked, return flow, family reunion	Germany, France, Netherlands, Portugal <sup>7</sup>	Cyprus, Poland, UK	Turkey, former Yugoslavia
1981–1990	Positive: +2.8 million	Family reunion, refugees and ethnic migration	Germany, France, Greece, Italy, Spain, UK	Bulgaria, Ireland, Poland, Portugal	Turkey
1991–2000	Positive: +6.4 million	Intra-European East-West migration; ethnic migration, refugees; new labour migration from new EU member states	Main destination: Germany (first part), Italy and Spain (second part); France, Greece, Netherlands, UK	Bulgaria, Estonia, Latvia, Poland, Romania	Bosnia, Turkey, North Africa, Russia, Central Asia, Moldova, Latin America
2001–2005	Positive: +8.2 million	New labour migration from new EU member states; family reunion, asylum and ethnic migrants; irregular migrants	Main destination: Italy, Spain; France, Germany, Greece, Ireland, Portugal, UK	Bulgaria, Poland, Romania, Lithuania	Turkey, Ukraine, North and West Africa, Middle East, West Asia
1950–2005	> +20 million	Considerable intra-European migration			

Source: Münz 2007.

<sup>7</sup> Portugal: mainly caused by post-colonial return migration.





In 2005, 19.4 million legal immigrants were economically active in the EU-27, that is, 9.3 % of Western and Central Europe's regular workforce. Considering that population increase was largely due to positive net migration, EU migrants and third-country nationals contributed over-proportionally to total employment growth. Moreover, immigration has compensated for some of the rigidity of European labour markets and for the pronounced immobility of European workers; less than 0.5 % of European workers move to a different region every year despite high unemployment locally, while approximately 7 % of non-EU citizens working in the EU seem to move in response to shortages and surpluses in the labour market (Nonneman 2007).

The skill profile of Western Europe's foreign-born population is different from that of the total EU-27 population. Mainly as a result of labour market demand, people with a high degree of formal education and those with a low degree are over-represented (Table 2). The states most successful in attracting highly skilled workers are Ireland, Denmark and Estonia, whereas the destinations for mainly low-skilled migrants are Portugal, Malta, Belgium, France, Austria, Greece and Spain. The immigrant groups with a rather high proportion of low-skilled people are those from southern Europe as well as from Turkey, North and West Africa, and the Middle East.

Table 2: Skill profile of immigrants (aged 25–64), 2005

Formal education	Natives (100 %)	Immigrants from EU countries (100 %)	Immigrants from third countries (100 %)
High	24.3	28.3	25.8
Medium	47.6	41.0	37.9
Low	28.1	30.7	36.3

Source: Münz 2007.

The labour market in many EU countries has a dual character, with many low-skilled immigrants finding jobs on the fringe of the official market or in irregular regimes in the shadow economy – jobs that are generally shunned by EU citizens. This type of work and more highly skilled professions are often mutually complementary, just as third-country migrants are to EU-born workers. Particularly third-country migrants have helped to alleviate labour and skills shortages, tending to be employed in sectors and occupations with greatest demands. Thus Nonneman (2007) sees no reason to assume that more migration is damaging economic prosperity. Or as Münz (2007: 11) says, 'Employment rates of natives showed the highest increase in countries with primarily economic immigration and less regulated labor markets'. However, the EU still primarily attracts less skilled migrants – 48 % of recent migrants of working age are low-skilled and only one in five is highly skilled – and they tend to have lower-quality jobs and precarious employment conditions (Commission 2008b: 15).





## 2. Taiwan

### a. How many immigrants are there and where are they from?

Taiwan has a remarkable immigration history.<sup>8</sup> Most of the 23 million people in Taiwan today can be regarded as descendants of migrants who arrived in four major migration waves: Austronesian groups, who nowadays constitute less than 2 % of Taiwan's population and are labelled 'original settlers' (原住民), were the first. With the next two waves from the end of the Ming dynasty and during the Qing dynasty, the Hakka (客家) and Hoklo (闽南), two ethnically distinct subgroups from South China, arrived on the island. Their descendants account for 12 and 71 % of the current population respectively. Finally, an estimated 1 to 1.5 million people fled China for Taiwan between 1945 and 1949. These mainlanders, mainly Kuomintang (KMT) officials and followers (外省人) – industrialists, intellectuals and members of the military – make up about 15 % of today's population.

The rather unique Taiwanese migration pattern – with each newly arriving migrant group marginalising the host society and taking over political, social and economic power – translated into the identification of four main ethnic groups, determined by the time of arrival on the island, and a discourse of ethnic identity dominated by the conflict between 'natives' and 'newcomers'. Since the latest arrivals have also mixed with other groups in the meantime, the differences increasingly revolve around the number of generations that families have lived in Taiwan. Additionally, the conflict with the mainland has blended ethnic discourse with the political dichotomy between re-unionists and pro-independence supporters and the discourse about Chinese vs. Taiwanese identity.

In the course of Taiwan's transformation from an authoritarian to a democratic regime and from a poverty-stricken society to a vibrant global economy, new immigrants came to the island. Today, Taiwan has become a home to spouses from China and Southeast Asia who have acquired permanent residency and citizenship there. And with its incorporation into the global economy, Taiwan has also been a destination for migratory blue-collar workers of Southeast Asian origin since the early 1990s. At that point the soaring Taiwanese economy had experienced a labour shortage in sectors which the local population had deemed undesirable, like construction. Moreover, it had become short of housekeeping personnel when local women entered the paid labour market. Like other newly industrialised countries in Asia, Taiwan resorted to labour importation to sustain its economic growth (Asis 2005).

Marriage immigrants are identified as 'new immigrants' by the National Security Report of 2006. This means immigrants from China and Southeast Asia are bundled together to form a new 'ethnic' group following the same

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<sup>8</sup>. Regarding the following, see Cheng 2008 and Storm 2008 as well as the National Immigration Agency, NIA ([www.immigration.gov.tw](http://www.immigration.gov.tw)), the Ministry of the Interior, MOI ([www.moi.gov.tw](http://www.moi.gov.tw)), the Council of Labour Affairs, CLA ([www.cla.gov.tw](http://www.cla.gov.tw)) and the Government Information Office, GIO ([www.gio.gov.tw](http://www.gio.gov.tw)).



pattern described above, taking the time of arrival as being instrumental for differentiation.

The number of foreign nationals living in Taiwan jumped from around 30,000 in 1991 to 433,169 in 2007 (people from mainland China and those who overstayed have not been included), the overwhelming majority (62 %) of whom are from Southeast Asia (Figure 1). Taiwan deliberately limits the sending countries to ASEAN and recently added Mongolia. The number of Indonesian workers was cut by more than half owing to an economic embargo on hiring labour from August 2002 to December 2004.<sup>9</sup>

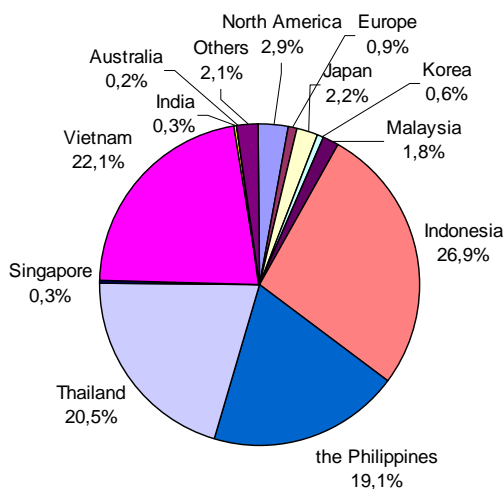


Figure 1: Foreign residents, 2007

Note: German Software: read (.) for (,).

Source: National Immigration Agency, Ministry of the Interior.

In 2007, 560,698 non-Taiwanese persons stayed on the island 'permanently' (that is, for more than 183 days), including 87,018 persons (15.5 %) from mainland China; 66 % of them, or 369,483 persons, were women, making Taiwan an example of 'feminised' immigration ([www.moi.gov.tw/stat/](http://www.moi.gov.tw/stat/)).

Between 1989 and 2006, a total of about 360,000 Taiwanese emigrated. The net migration rate only became positive after 2006, having been zero for four years in a row. After peaking at +0.61/1,000 population in 2007, it declined to 0.04 in 2008.<sup>10</sup>

<sup>9</sup>. The number of Indonesian residents declined from 93,094 in 2002 to 34,884 in 2004. They numbered 116,685 in 2007 (National Immigration Agency, MOI).

<sup>10</sup>. Estimates from the CIA World Factbook, various years.

## b. Why do they come?

Immigration to Taiwan happens mainly for three reasons: marriage, labour and academic studies. In order to preserve military capacity and to prevent CCP penetration, the KMT government restricted the rights of military personnel to get married. Only since the late 1970s have women from Southeast Asia been introduced to marry men in Taiwan via transnational links with overseas Chinese. Cross-Strait marriages became possible with the lifting of the travel ban across the Taiwan Strait in the late 1980s, and these have boomed with the expansion of contacts between Taiwan and China. Finally, the broadening of economic interaction with Southeast Asia in the 1990s also opened new doors for marriage.

In 2007 alone, almost a fifth of the 135,041 registered marriages in Taiwan were with Chinese and foreign spouses; 14,721 of these were with Chinese and 6,952 with Southeast Asian partners. The share of Chinese spouses was 59.6 %, a decline of 4 percentage points since 2003, when the absolute number of Chinese spouses peaked at 34,685 persons.<sup>11</sup> In total, foreign spouses numbered 399,038 in 2007, 93 % of them being women; 63 % (251,198) of these women were from China, followed by Vietnam (19.5 %) and Indonesia (6.6 %) (figures by NIA, MOI).

At the beginning of the 1990s, after a period of unprecedented economic growth, Taiwan faced price hikes in production, and a shortage of labour prompted the government to formally authorise the importation of foreign labour. The importation of a cheaper workforce from Southeast Asia was additionally promoted by President Lee's 'Go South' policy. In 2007, 82 % of the total foreign population (外僑居留人數) were in the labour force; 74.3 % were unskilled labourers, and only 0.3 % were skilled workers, 0.9 % business persons, and 0.6 % engineers. Maids and students accounted for 12.4 and 3.7 % respectively. While most of the business people and engineers came from Japan, Southeast Asians accounted for the majority of unskilled workers (with a third coming from Indonesia and a quarter from Thailand) and skilled workers (almost 40 % from Thailand and 28 % from Vietnam) (Table 3).

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<sup>11</sup>. In 2007, 19 per cent of the registered divorces in Taiwan involved Chinese and foreign spouses, 6,494 Chinese and 3,844 from Southeast Asia. The share of Chinese spouses was 58.6 per cent, a decline of 13.3 percentage points from 2003, when the absolute number of divorces from Chinese spouses peaked at 7,890 persons.



Table 3: Foreign residents by occupation, 2007 (mainland Chinese not included)

總計 Grand Total	433,169	100.0 %	Main shares ( %)
滿十五歲者 15 Years & Over	425,110	98.1 %	
勞動力小計 Labour Force	355,382	82.0 %	
公務人員 Gov. Employees	5	0.0 %	
商務人員 Business	3,752	0.9 %	Japan(42.6), Korea (6.4)
工程師 Engineers	2,407	0.6 %	Japan(27.9), Malaysia (14.2)
會計師 Accountants	19	0.0 %	
律師 Lawyers	24	0.0 %	
記者 Correspondents	39	0.0 %	
教師 Teachers	6,009	1.4 %	USA (31.6), UK (9.6), Japan (9.3)
醫師 Doctors	279	0.1 %	
護理人員 Care Workers	21	0.0 %	
傳教士 Missionaries	1,775	0.4 %	
技工技匠 Skilled Workers	1,142	0.3 %	Thailand (39.6), Vietnam (27.7)
外籍勞工 Foreign Labourers	321,804	74.3 %	Indonesia (33.1), Thailand (24.4), Philippines (24.4)
船員 Sailors	354	0.1 %	
其他 Others	14,835	3.4 %	
失業 Unemployed	2,917	0.7 %	
非勞動力小計 Not in Labour Force	69,728	16.1 %	
家務 Housekeepers	53,515	12.4 %	Vietnam (66.2), Indonesia (11.1)
就學 Students	16,054	3.7 %	Malaysia (28.6), Indonesia (12.6), USA (9.2)
其他 Other	159	0.0 %	
未滿十五歲者 Under 15 Years	8,059	1.9 %	

Source:[http:// www.moi.gov.tw/stat/](http://www.moi.gov.tw/stat/).

Within just a decade after legalization the number of foreign workers in Taiwan rose from around three thousand in 1991 to 327,000 in 2000. It then started to decline slightly. After 2003, it increased again, topping the 2000 peak in 2005 and the following years. In August 2008, 373,000 foreigners worked in Taiwan. In relation to paid workers, however, they still have not reached the 2000 level (Table 4).

As for illegal foreign residents, 18,264 were ferreted out in 2007, more than ten thousand less than in the year before, which represented the highest



number by far since 1992. Almost half of the detected illegal migrants were workers (figures by NIA, MOI). As most remain undetected, there are actually far more illegal foreign workers in Taiwan.<sup>12</sup> At the end of 2007, 22,372 foreign workers were missing, having run away from their employers (figures by CLA).

Table 4: Trends in the number of foreign workers in Taiwan, 2000–2008, in 1,000

Year	A. Foreign workers	B. Labour force	C. Paid workers	A/B	A/C
2000	327	9,784	6,746	3.34 %	4.85 %
2001	305	9,832	6,727	3.10 %	4.53 %
2002	304	9,969	6,771	3.05 %	4.49 %
2003	300	10,076	6,898	2.98 %	4.35 %
2004	314	10,240	7,131	3.07 %	4.40 %
2005	328	10,371	7,336	3.16 %	4.47 %
2006	339	10,522	7,542	3.22 %	4.49 %
2007	360	10,713	7,735	3.36 %	4.65 %
Aug 08	373	10,916	7,962	3.42 %	4.68 %

Source: CLA: Monthly Labour Statistics.

Of the 279,751 mainlanders who legally entered Taiwan in 2007, less than 1 % have prolonged their stay illegally, working without a permit (747 persons) or undertaking other illicit activities. This number is much lower than in previous years. The highest percentage was reached in 2004 with 5.63 %. In absolute numbers, the amount of illegal workers peaked in 2005, when 3,273 persons were recorded by National Immigration Agency.

### III. Immigration Policy

#### 1. The EU

Immigration is of high political significance in the EU and its member states. It has an impact on the economy, society and external relations. It is also likely to increase against the background of the shrinking working-age population and growing labour market needs in Europe (Commission 2008a, 2008b: 43 ff.).

Despite labour market challenges EU immigration policy is to a large extent 'security-centric', that is, it is highly reactive/restrictive. Policy-makers seek to reduce migration because of the threat it poses to member states' in-

<sup>12</sup>. Before Taiwan opened its labour market in 1991, the number of illegal migrant labourers was between 50,000 and 80,000 (Tsay 2003: 76).



ternal security, labour markets and welfare systems and thereby sideline the opportunities that migration spawns for European economies. Policy tools have been subordinated to immigration control (on the following, see Parkes 2007, Bendel 2008). The restriction of non-nationals' access to welfare benefits and the labour market aims to diminish the 'pull factors' attracting asylum seekers, immigrants' families and illegal immigrants. The prime focus in legal migration is highly skilled workers. Nevertheless, this desirable form of immigration is also contested between European countries.

In mid-2008 the European Commission and the French presidency submitted papers that aim to put European migration policy on a new footing. The main guidelines of the commission's proposal ('A Common Immigration Policy for Europe: Principles, Actions and Tools') concern legal labour migration ('prosperity'), burden sharing between member states and coordination with sending countries ('solidarity'), and visa and human trafficking issues ('security') (Commission 2008a). While the commission focused on the opportunities associated with economically motivated migration, the French presidency accentuated objections against irregular immigration. In order to attract highly skilled workers, they again highlighted a suggestion first made in 2007 about a European 'Blue Card'. The debate about the two papers revealed once again that there are only a few commonalities in the migration policies of European countries. While countries at the southern and eastern frontiers press for common rules regarding burden sharing and frontier management, northern and western EU countries show little solidarity with them.

Schengen (1995) and the abolition of the EU's inner frontiers have been accompanied by strengthened security at the outer borders of the 'fortress of Europe'. Constantly shifting between 'liberty' on the one hand and 'security' on the other, the liberal aspects of the EU's immigration policy as formulated in the five-year Programme of Tampere (1999) have been eclipsed since September 11, as we can also conclude from the Programme of The Hague (2004). The best progress has been made in the 'defensive' area; asylum procedures were the first to become Europeanized.

Other steps to coordinate the security of European frontiers have followed – in particular the guidelines about returning illegal immigrants, which were adopted by the European Parliament on 18 June 2008 – but have been heavily criticised by NGOs because they are mainly aimed at refugees. The guidelines allow the EU-27 members to hold illegal immigrants in special detention centres for up to 18 months before deporting them. This is considerably longer than current detention policies in most individual EU countries. Those expelled also face a five-year re-entry ban, applicable for the entire bloc, but governments must first give the immigrants a chance to leave the country voluntarily – and they are required to offer free legal advice and other basic rights to those detained. No country has any authoritative figures on irregular migration. The commission estimates that between 7 and 9 million immigrants (mainly from Africa) are currently sojourning within the EU.

Various reasons, however, could force European countries to increasingly rely on immigration from third countries, first and foremost a shrinking work-

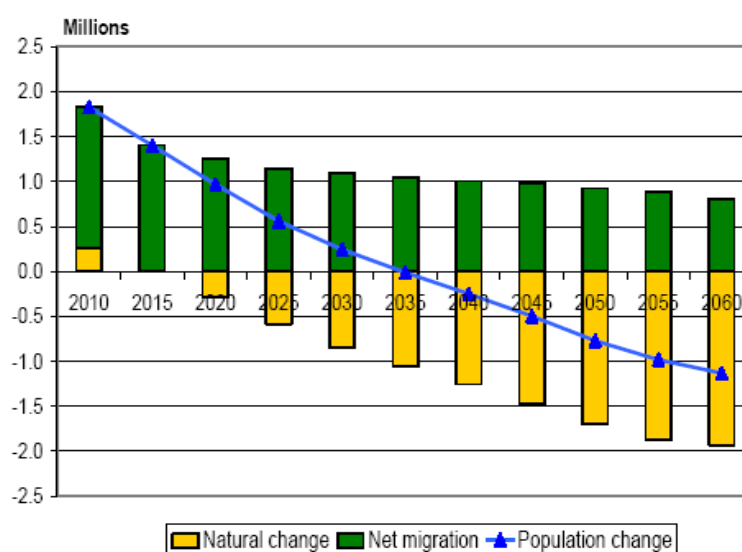


ing-age population and secondly labour shortages in specific skill areas. The labour force of Western and Central Europe consists of 227 million people. Without the inflow of migrants and at constant participation rates, it could shrink to 201 million by 2025 and 160 million by 2050. An average net inflow of slightly less than 1.5 million labour migrants per year would be required to fill the total gap of some 67 million. Assuming that not all of the immigrants would join the workforce, the total number of migrants would have to be even higher (Münz 2007). Although Eurostat estimates that it will not be possible to counterbalance the negative natural change by positive net migration in the long run, immigration could, however, modify the demographic structure by increasing the share of younger cohorts (see Table 5 and Figure 2).

Table 5: Population development in the EU and other countries, 2007–2050

		Europe	US / Canada	Asia	Africa
Population (mill.)	2007	591	335	4,010	944
	2050	542	438	5,217	1,937
Population change ( %)	2007–50	-8.3	30.7	30.1	105.2
Average age	2005	38.9	36.3	27.6	19.0
	2050	47.3	41.5	39.9	27.4
Life expectancy	2006	76.0	78.5	68.0	53.0
	2050	82.0	82.7	77.2	65.4

Source: United Nations, cited from Europe's Demographic Future 2008.



Source: Eurostat, EUROPOP2008 convergence scenario

Figure 2: Natural change and net migration for selected years – EU-27

Source: Giannakouris 2008.





In any case, immigration can help alleviate labour market bottlenecks and can be a means to address specific labour shortages, sectoral as well as occupational. Many member states have been experiencing shortages in sectors such as ICT, financial services, household services, agriculture, transportation, construction and tourism-related services (Commission 2008b: 49). According to estimates by the German Institut für Arbeitsmarkt- und Berufsforschung (Institute of Labour Market and Occupational Research), for example, there will be a considerable shortage of highly skilled academics in Germany in 2020, including engineers: more than a million will be lacking (FAZ, 23 Oct 2008).

The shift in the European labour markets away from the primary sector and traditional manufacturing towards services and knowledge-intensive jobs will continue in the coming decade (Cedefop 2008). Between 2006 and 2015, EU-25 countries expect to see an overall increase of more than 13 million jobs. While agriculture and manufacturing will lose over two million jobs, the distribution and transport sector together with the health and education sectors will create more than three million each. The best prospects for employment lie in business and miscellaneous services, with almost nine million jobs being created. Overall, the qualification requirements of workers will increase dramatically, not only in general across jobs, but also in all occupational groups, even in elementary occupations. Between 2006 and 2015 more than 12.5 million additional jobs at the highest qualification level and almost 9.5 million further jobs at the medium level will be created.

For several EU member states, particularly the new ones, the share of people with higher education is greater among non-EU-born than among EU-born while the overall share of highly skilled migrants in the EU's total employment remains low (Commission 2008b: 49). The proposal to issue a European 'Blue Card' is aimed to fill an anticipated skills gap (Collett 2008). Non-national highly skilled workers make up 3.2 % of the labour force in the USA, 7 % in Canada and 9.9 % in Australia, but non-Europeans account for just 1.7 % of highly skilled people employed in Europe (IHT, 25 Sep 2008). The EU has only attracted 5 % of external global skilled personnel, and has attracted 85 % of the low-qualified immigrants; this stands in contrast to the USA, which attracted around 55 % of all skilled immigrants (HWWI Update, 8/08).

In September 2008, the ministers of the interior from the EU approved the French-inspired 'European Pact on Immigration and Asylum', thereby giving their initial backing to a fast-track plan for attracting highly skilled workers from developing countries. The pact is designed to align immigration more closely with the needs of the European labour market. But with its emphasis on increased border controls – at a time when the EU has eliminated controls within the union – the pact is likely to reinforce the image of a Fortress Europe (Marfaing and Hein 2008).

Critics question whether the plan will work. The emphasis in immigration policy is placed on the rights and responsibilities of national governments, however, rather than those of EU institutions. The possibilities to work remain



limited even with the Blue Card, which will be introduced in 2011. Firstly, the gross salary of a migrant worker must be one and a half times that of the average wage in his host country. Secondly, after 18 months of working in one EU state, immigrants are allowed to apply for work in another member state, but they will then have to apply for a new Blue Card there within a month of arrival. The American Green Card, in contrast, gives the holder the right to live and work permanently in the US, with occasional renewals necessary (IHT, 7 July 2008, 25 Sep 2008; FT, 25 Sep 2008; FAZ, 28 Oct 2008).

Other proposals have failed, however, because of the opposition of certain member states, above all Germany. A European immigration policy is 'muddied by the different geographical, political and structural characteristics of the EU-27' (Parkes 2007: 9). France has decided to pursue a policy of selective support for different aspects of EU immigration policy, but London prefers to retain national autonomy regarding desirable immigration. Spain and Italy, which have only recently become immigration countries and are facing the human tragedies of African boat people, demand more European solidarity and support (Overhaus 2007).

The German government shows a very reluctant attitude towards common policies on legal labour migration.<sup>13</sup> So does Austria, despite a lack of qualified personnel in certain economic sectors. Germany, while extending restrictions on labour migrants from the new EU member states for two more years until 2011, has lowered the minimum wage level for hiring highly qualified labourers from third countries from 86,400 to 63,600 euros. However, in 2006 only 456 highly qualified experts entered the German labour market, and in 2007 there were just ten more. This is hardly likely to be enough in view of global competition,<sup>14</sup> but the German government wishes to protect domestic workers and is trying to primarily exploit the domestic labour force potential by extending the retirement age and improving the education system (FAZ, 17 July 2008; 8 Oct 2008). Measures that primarily try to influence patterns of domestic supply are, however, unlikely to perfectly meet labour market demand (Boswell 2005).

With respect to intra-EU mobility, the European Commission has for some years urged France, Germany and other members of 'Old Europe' to follow the example of the UK, Ireland and Sweden and open their borders to migrant workers from the new EU members. All available evidence suggests – as does the latest report about employment in Europe – that the overall economic impact of movements within the EU has, on balance, been positive and

13. For Germany's immigration policy see Hanau 2007.

14. Figures about the lack of qualified personnel are hard to verify. Employee associations in Germany, for example, complain about a shortage of 70,000 engineers even though there are enough engineers applying for vacancies. Others estimate a gap of 144,000 engineers and technicians which is set to rise to 232,000 by 2020. This seems to imply that it is primarily certain specific qualifications which are lacking (FAZ.net, 8 July 2008; HA, 18/19 Oct 2008). Prognos AG estimates that because of Germany's shrinking population, there will be a shortage of seven million qualified employees by 2030 (FAZ, 8 Oct 2008).



that migrant workers from EU-10 were contributing to economic growth. Empirical studies have consistently found little or no negative impact of East-West labour mobility on local workers' wages and employment; nor have they found any evidence that EU enlargement has led to a rise in 'welfare tourism' (Commission 2008b: 132 ff.; The Guardian, 9.2.06).

Nevertheless, public perception of the way immigration affects wages and employment is restricting the ability of European states to attract people from third countries. 'Unwelcoming' attitudes may be the result of unsuccessful integration and related social problems and may make it politically unacceptable to receive more immigration. According to a Eurobarometer survey, on average only 40 % of EU citizens feel that immigration contributes a lot to their country, while 52 % do not agree with this statement (Commission 2008b: 96 f.). In following this sentiment, Europe could lose out in the global competition for talent.

In sum, we can state that Europe now matches North America in its significance as a region of immigration, yet migration, asylum and integration are highly politically contested by European governments and their electorates (Boswell 2005). In the face of ageing societies and growing skill gaps, European host countries have recognized the importance of opening up opportunities for selected labour migrants, especially those who are highly skilled. They have introduced point systems, streamlined recruitment procedures in certain sectors and occupations, or facilitated labour market access for foreign graduates. However, in order to make this liberalization more acceptable, they have expanded controls of other non-wanted migrants and begun utilising means (like the German Green Card or the European Blue Card) that demonstrate that these programmes are only temporary and that permanent residence is not wanted.

## 2. Taiwan

The liberalisation of Taiwan's migration policy has been induced by the marriage difficulties experienced by Taiwanese citizens and, particularly, by a growing labour shortage that became obvious at the end of the 1980s. Simultaneously, however, it has been decisively shaped by the controversial relationship with mainland China and Taiwan's rather contradictory relocation policy, which has involved the relocation of Taiwanese production to China on the one hand<sup>15</sup> and restrictions on the movement of mainlanders to Taiwan on the other.

In the late 1980s Taiwanese companies faced a labour shortage, particu-

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15. Taiwanese business people also make use of the fact that more and more Chinese professionals have started to work abroad in the past ten years and they hire these professionals in different kinds of overseas Taiwanese companies. There seems to be a clear ethnic division of labour in these organizations. The top positions are held by Taiwanese expats, administrative work is performed by natives or PRC professionals, and managers or production site technicians are mainly PRC professionals (Wang 2008).



larly with respect to cheap labour. For various reasons, including the political context of beginning liberalisation and tense cross-Strait relations, neither automation nor the quick expansion of foreign investment on the mainland seemed to be an available and publicly explicable alternative. Thus, the businesses pressured the government to open the door to Southeast Asian workers while increasingly engaging illegal foreign workers who entered as tourists and over-stayed their visas. The volume of this illegal foreign workforce was over 50,000 at the end of 1989 and possibly even 100,000 (Tsay 2002).

Unlike the case in Japan or South Korea, the emphasis on Taiwan as a 'homogeneous' society in the policy debate was rather weak – as were the labour unions, due to martial law. Thus the Taiwanese government faced no strong opposition when it decided to open the 'front door' to foreign workers. This happened in 1989 for certain key national construction projects and shortly after for the manufacturing industry as well. Later, the government included categories for caregivers, domestic helpers and fishing crews (Lu 2000, Liang 2007; Yoo, et al. 2004: 230 ff.).

In the following years immigration policy steered a zigzag course between employers, who demanded more entry permissions, and employees and their unions, who asked for their reduction. Due to its high population density, Taiwan has so far kept up restrictions on immigration and has a demand-driven foreign labour recruitment system. The legal stay of foreign workers is limited; there are 'limited quota, limited industries'; and freedom of mobility and employment changes are controlled by state regulations (Yoo et al. 2004). The effectiveness of these measures, however, has been limited since the beginning.<sup>16</sup> Despite the alleviation of the labour shortage in the course of industrial relocation to China and Southeast Asia, the number of foreign workers increased more than threefold between 1993 and 2007.

As early as 1992 the Migrant Employment Permit and Management Act, which legalized migrant labour in the private sector, aimed to minimize the number of foreign workers, allowing them only for sectors and occupations with labour shortages. Moreover, the import of migrant workers was limited to those from nations that had friendly relations with Taiwan, such as the Philippines, Thailand, Indonesia, and Malaysia. The Employment Service Act, also issued in 1992 as well and defining Taiwan's migrant labour policy, has been revised several times. It divides foreign workers into 'Class A' professionals and 'Class B' low-skilled labourers (§46). Taiwan controls the scale of labour immigration by fixing the foreign-labour dependency ratio by occupation, instead of by explicit quotas. Employers are allowed to apply for a work permit to hire a foreign worker only if there is no qualified domestic worker available. In the event that they hire a foreigner, they must pay an employment stabiliza-

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<sup>16</sup>. Taiwan's textile industry, for example, appealed to the government in 1991 not to crack down on illegal foreign labourers lest production should be entirely paralysed (Taiwan Journal, 31 Jan 1991).



tion fee. The invitation of foreign workers' families and relatives is banned in order to prevent prolonged stays in Taiwan.<sup>17</sup>

Taiwan's society is ageing and has a fertility rate that has declined below replacement level (Tsay 2003). The population growth rate was 3.5 % in 1957, from which it gradually declined to 0.47 % in 2006. The population structure has changed dramatically. While the economically active group (aged 15–64) grew from 56.4 % in 1949 to 71.88 % in 2006, the proportion of people aged 65 and older increased from 2.5 % to 10 %. Conversely, the proportion of those less than 15 years old has been decreasing.<sup>18</sup>

According to a forecast (medium variant) by the Council of Economic Planning and Development, based on current trends, Taiwan's population, currently 22.958 million, will peak at 23.84 million in 2026 and will then take a downturn. Registering negative growth each successive year, it will have declined to 20.29 million by 2056 (figure 3). Meanwhile, the proportion of those over 65 years of age will increase to nearly 40 % of the total population.

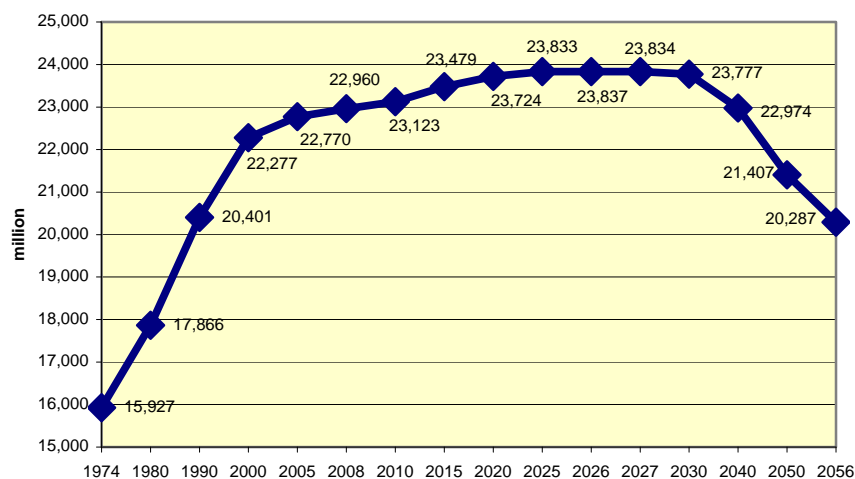


Figure 3: Population development in Taiwan, 1974–2056

Source: Council of Economic Planning and Development, [www.moi.gov.tw](http://www.moi.gov.tw).

Until the end of the 1990s, migration in Asia mostly involved less skilled workers. Since then, in response to greater demand, particularly in information technology and health care, the migration of highly skilled workers and professionals has increased (Asis 2005). It is predicted that demographic and lifestyle factors (jobs becoming undesirable to locals) as well as the growing la-

17. Employment Services Act as of 11 July 2007, see <http://laws.cla.gov.tw>. For details of the procedures see *ibid.*; Regulations on the Permission and Administration of the Employment of Foreign Workers, promulgated on 13 Jan. 2004, latest amendment as of 2 Jan. 2008 (<http://laws.cla.gov.tw>); and Yoo et al. 2004: 234 ff..

18. According to [www.gio.gov.tw](http://www.gio.gov.tw).



bour mobility in Asia will contribute to the increase of immigration among highly skilled personnel, while the demand for less skilled workers presumably will not diminish.

Taiwan has relocated labour-intensive industries to lower-wage countries and has experienced a reverse brain drain because of the pull effects of its booming high-tech industries. The Taiwanese government has not slackened its efforts to tap the talents of overseas Taiwanese since the 1980s. Even so, many foreign companies complain that they are unable to hire and retain talented individuals in Taiwan because these people leave for Hong Kong or Singapore, both of which have a more favourable tax climate (CP, 10 Sep 2008).

Facing population decline and a looming shortage of skilled personnel, the Taiwanese government has been promoting a new population policy that aims to encourage childbearing and child rearing by improving people's quality of life through education, environmental protection, health care and social security. It is also determined to implement an appropriate migration policy. Nevertheless, the existing foreign labour policy is still restrictive, mainly to protect domestic labourers.<sup>19</sup> Only five years after legalizing immigration, the Taiwanese government faced the Asian crisis. Although the country was less badly hit than the other newly industrializing economies, the unemployment of domestic workers has been a challenge since then and has bolstered the decision to keep the volume of foreign workers limited. In July 2008 the Council of Labour Affairs (CLA) rejected a request filed by construction companies to allow them to hire more foreign workers because the jobless rate of domestic construction workers remained high. A decision about lifting the existing 20 % ratio for foreign workers in so-called '3-D' jobs (difficult, dirty, and dangerous) was postponed. Only the maximum stay for foreign workers was extended by one year, allowing three years for every legal entry (CP, 10 July 2008).

Due to the rather exceptional situation of Taiwan vis-à-vis the People's Republic of China, many concerns revolve around absconding people and unauthorised migration from mainland China, incoming mainland spouses, and Chinese students. Since Taiwan is not a member of the United Nations, Chinese people seeking political asylum in Taiwan are unable to directly request assistance from the United Nations High Commission for Refugees unless they proceed to a third country. The Mainland Affairs Council (MAC) has been pushing legislators to formulate their own Refugee Act for some time in order to help individuals live a more normal life, which includes the right to work, (TT, 4 Jul 2008; CP, 12 Sep 2008).

In order to effectively stop mainland people from using fake marriages to come to Taiwan, the immigration agencies installed an interview mechanism in 2003. The Act Governing Relations between People of the Taiwan Area and the Mainland Area clearly stipulates that all mainland people applying to enter

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<sup>19</sup>. 'No employment of Foreign Workers may jeopardize nationals' opportunity in employment, their employment terms, economic development or social stability' (Employment Service Act, §42).





Taiwan for the purpose of family reunion, temporary residence or a permanent stay have to go through an interview process. Another problem concerns the employment rights of mainland spouses living in Taiwan. Under the current law, they have to wait at least six years after marrying before they can work. According to the MAC, spouses are welcome to enter Taiwan as long as their marriage is genuine and legal; false marriages are dealt with severely. The decline in the number of cross-Strait marriages is mainly the result of a crackdown on marriages of convenience and marriage brokers (TT, 6 and 7 Oct 2008; CP, 9 Oct 2008).<sup>20</sup>

The question of Chinese students studying in Taiwan appears to be even more complex. They are the victims not only of mutual mistrust, policy interference and bureaucratic restrictions, but also of concerns about the development of the higher education sector and the job market in Taiwan. All of the concerns mentioned above are often mixed with fears about cross-Strait infiltration, particularly when debates revolve around 'political principles' that see the issues in terms of an 'enemy country'. Obviously, depending on the political atmosphere in the Taiwan Strait, Chinese citizens in Taiwan are more or less suspected of being spies. Although he warned of the increasing number of Chinese spies and criminals entering Taiwan by legal and illegal means (e.g. CNA, 23 Jul 2005), a National Security Bureau official denied allegations that around 5,000 Chinese living a clandestine existence in Taiwan were genuine spies (CP, 26 April 2007). Additionally, the discussion of migration all over Asia encountered a setback in the aftermath of September 11. The climate has now become more hostile to migrants, stoking fears of migrants as the dangerous 'other'.

Aiming to improve relations with mainland China, but bending under the impact of the global financial crisis, the immigration policy of the incumbent KMT government seems to be rather contradictory. On the one hand, reforms have been introduced to allow the country to become a top immigration destination, especially for skilled workers. In 2007 the Ministry of the Interior had already established the National Immigration Agency to speed up immigration procedures. By the end of 2008, the new government had taken several measures to expedite the applications of immigrant workers or foreign spouses for citizenship or residency and to improve their living environment (Taiwan Journal, 21.11.08; CP 20.11.08).

In order to attract highly qualified foreigners to come to Taiwan for academic exchanges, employment or investment, the Executive Yuan approved a new visa programme on 1 November 2008. Under the programme, which started in 2009, three special cards are issued: an academic and commercial travel card, an employment pass, and a 'plum blossom' permanent residency card. These emulate the American Green Card; the European Blue Card; and the Korean IT Card, Gold Card and Science Card. Highly qualified foreign individuals intending to take a job in Taiwan are issued a 'four-in-one' card

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<sup>20</sup>. On the importance of marriage brokers, see Lu 2005.





(the employment pass), which incorporates a visa, a work permit, an alien resident certificate and a re-entry permit (TT, 2 Nov 2008).

Several discriminatory rules against Chinese spouses have been abrogated, and these people will basically be treated like other overseas spouses. Among other things, restrictions regarding work and ID applications have been relaxed and quotas on the number of mainland spouses who apply for permanent residency have been lifted. By the end of October 2008 there were 271,896 spouses from China, Hong Kong and Macau in Taiwan, but only 58,194 of them had obtained permanent residency (Taiwan Journal, 28 Nov 08; CP 12 Dec 08).

On the other hand, the CLA has for quite some time been considering a review of its foreign labour policy in an effort to lower the unemployment rate among Taiwanese citizens. Taiwan's export-oriented economy has been extremely hard hit by the global financial tsunami and falling demand from key markets such as China, the United States, and Europe.<sup>21</sup> After starting to rise in the second half of 2008, the unemployment rate hit a 62-month high of 5.03 % (around 550,000 people) in December 2008. Expectations for 2009 are bleak; hopes that seasonal reasons and government efforts such as shopping vouchers will work are being called into question by fears of a further increase after Chinese New Year. Across occupations, low-skilled workers and manual workers are being laid off; export-oriented firms have been downsizing or closing operations and have forced employees into unpaid leave or part-time jobs.

The KMT government and president Ma Ying-jeou, only inaugurated in May 2008, have been put under immense pressure by the weakening labour market – all the more so as Ma had pledged to lower unemployment to 3 %. Consequently, the government initially responded with a chain of employment-promotion measures, each of them already too limited by the time of approval. It decided on subsidies to hire the unemployed ('get to work immediately' programme); public investments and infrastructure projects; loans to start up small businesses; and job openings through government agencies like that of the Ministry of Education, which made available around 5,000 jobs at colleges and universities, public libraries, schools, and education departments throughout the country.

In an effort to boost employment, the government has chosen to tighten quotas and rules for the import of foreign labour and is prioritizing the hiring of local workers over foreigners, especially in manufacturing and construction. With the help of a monthly subsidy of NT\$10,000 per worker (the estimated wage gap), employers are motivated to replace foreign workers with local ones when contracts expire. These measures are expected to free up around 30,000 positions in 2009 (CP 23 Dec 08, 9 and 12 Jan 08; TT 21 Jan 09).

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<sup>21</sup>. For details on unemployment and countermeasures in the following see CP 16.11.08, 19.11.08, 25.11.08, 23.12.08, 12.01.09, 23.01.09, 02.02.09; TT 27.11.08, 03.12.08, 04.12.08, 23.12.08.



Political considerations have had different effects. Efforts to improve economic relations with the mainland may have played a role in the increasing recognition that mainland spouses are part of the Taiwanese society despite concerns about the influx of mainlanders. By the same token, the government has amended the Immigration Act to allow nearly 1,000 Tibetans and ethnic Chinese from the border areas of Thailand and Myanmar (the offspring of KMT soldiers) to apply for permanent residency in Taiwan (Taiwan Journal, 16 Jan 09).

A rather sensitive issue is the question of mainland students in Taiwan considering that the 2008 unemployment rate among workers aged 15 to 29 with a college degree or above was 9.33 %, or more than twice as high as national unemployment, and that the number of unsuccessful job hunters among new graduates had nearly doubled over the previous year (CP 2 Dec 08; TT 5 Feb 09). Thus, the Ministry of Education (MOE) has made proposals which are in line with the new China policy; respond to the sliding enrolment rates, due to the declining birth rate, facing most of the country's privately run colleges and universities; and mollify concerns about Chinese students being potential competitors of Taiwanese graduates. Proposed amendments to the University Law and the Community College Law would allow universities to recruit students from China starting in 2010. They would be put in a 'special category' along with a quota for students from Mongolia, Tibet and other countries. The number of Chinese students would be capped at less than 1 % of university vacancies; they would not be offered scholarships; and they would not be allowed to sit tests in Taiwan to obtain professional licenses. Moreover, they would be banned from working while in Taiwan and would not be allowed to study subjects that concern matters of national security. The MOE has said that a maximum of 1,000 students from China would be approved each academic year (TT, 21, 24 Sep, 5, 13, 22 Oct and 17 Dec 2008; CP, 25 Sep and 2 Dec 2008). Also, in light of high domestic unemployment, a proposal from the Council for Economic Planning and Development to exempt graduates of the world's top 100 universities from a requirement to have two years experience before they can work in Taiwan has been rejected by the Cabinet (TT, 2 Nov 2008).

We can observe that – as in the EU – in the face of the rising unemployment rate and despite shortages of skilled workers, the discourse on foreign migration in Taiwan has become more and more security centred.<sup>22</sup> The government is expected to prevent the worsening of working conditions for local workers as a result of foreign labour imports and to curb a possible large inflow of unskilled migrants. These measures are supported by academic expertise which attributes rising unemployment and increasing long-term unemployment, as well as a slowdown in the growth rate of wages, to the increase in the volume of foreign workers (Tsay 2002). Lower wages, however, are not tantamount to negative effects on the national economy. On the contrary, by relieving labour and skills shortages, lowering production costs, and filling

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22. See also Yoo et al. 2004: 230 ff. for previous years.



gaps in 3-D tasks shunned by domestic workers, foreign workers contribute to economic and business growth (Chia 2006: 361 f.).

Nevertheless, the sense of insecurity felt by the general public is further heightened by the unique political situation of Taiwan vis-à-vis the mainland, the up-and-downs of cross-Strait relations, the relocation of Taiwanese industries to China (including the flow of know-how and technology) and the repercussions of this on the Taiwanese labour market, and the spectre of a massive inflow of mainlanders.

#### IV. Opportunities and Challenges

International labour migration constitutes a mechanism for adjusting to differences in labour market conditions across countries. Despite benefits for both sending and receiving countries, cross-border movement of migrants has lagged behind trade and capital flows. One reason is that there are increased sensitivities toward labour flows, which are also affected by non-economic factors such as political systems and international relations. Different national priorities equate to difficulty in Europeanising migration policies in the EU, and it is also difficult to find an acceptable way of shaping migration policy in Taiwan due to the insurmountable political dichotomy between ‘mainlanders’ and ‘islanders’. Although the regional environments in Europe and in the Taiwan Strait are different – East-West as well as North-South differences in Europe, China-Taiwan relations in Asia – immigration issues in both regions show some similarities, in terms of opportunities as well as in challenges.

Against a background of an ageing population and growing labour market needs, immigration could provide several opportunities in Europe as well as in Taiwan. It could compensate for demographic trends and help deal with labour and skills shortages. The governments, however, want to have their own choice with regard to quantity and skills composition. The more liberal policies towards guest workers in Europe and Taiwan, which resulted from previous labour shortages, have been fading out with the rise in unemployment among local workers in the course of the economic slowdown and the relocation of industries to low-wage countries.

Due to declining populations, labour shortages will become worse in the future, particularly for qualified workers. Thus, demographic and economic necessity will probably dictate engaging migrant workers to deal with labour and skills shortages and to sustain future economic growth in Taiwan and Europe. In order to protect local workers and simultaneously promote technological progress, migration policies in the EU as well as in Taiwan are tending to be increasingly selective. Governments classify foreign workers into the two categories of highly skilled white-collar workers versus low-skilled blue-collar workers, pampering the first and stigmatising the latter. While Taiwan and many countries in Europe are emphasising strategies to fully exploit the potential of the domestic workforce by expanding the education sector, they are also considering a demand-driven policy to attract highly skilled personnel. In



Europe, the Blue Card is hoped to be an effective mechanism to select migrants. The Taiwanese Executive Yuan has approved a plan that emulates the American Green Card, the European Blue Card and the Korean IT Card. But governments also need to develop a more comprehensive approach to immigration and should implement measures and rules to strengthen integration: recognising qualifications, furthering education and training, and fighting discrimination.

Practically all of the available empirical evidence suggests that immigration has, on balance, contributed to an increase in economic growth in Europe as well as Taiwan. Added labour supply has helped to alleviate labour market shortages in sectors and occupations with high demand and to improve labour market efficiency. The native populations, however, do not seem to be ready to accept more migrants, neither in Europe nor in Taiwan. Despite different migration histories, the perception of immigration – quite important in democracies for politicians who want to be (re-)elected – is similar in both places in that it diverges from reality. In Europe, there exists a false perception of the demographic reality in the region and this has become a major obstacle to the development of a proactive migration regime. Although European countries have been a destination for migrants for almost 50 years now, many Europeans still do not regard their homelands as being immigration countries. On the contrary, the higher the percentage of foreign-born citizens is in the population of a country, the more negatively its native inhabitants react to the possibility of further EU enlargement (Gerhards and Hans 2008).

Given the high levels of employment already reached by skilled EU nationals and the fact that domestic populations are shrinking, EU countries will not have much choice other than to recruit medium- and highly skilled migrants from third countries. This means all EU member states will remain or become immigration countries and will have to develop the respective policies. And in the medium and long term, intra-European migration will be increasingly supplemented by the recruitment of migrants from other world regions. Becoming a competitor of Australia, Canada and the USA, then, Europe will have to offer migrants sufficiently attractive conditions and will no longer be able to restrict immigration policy to selection and admission mechanisms. In any case, its restrictive policy is not very effective, even today: ‘The front door has been all but closed to authorized migrant workers, while at the same time the side doors have been left ajar through family reunion and the back doors have been wide open to illegal (or irregular) migration’ (Nonneman 2007).

Although Taiwan has been an immigrant society from the very beginning of its history, the specific pattern of migration has become one of the constituents of identity in the process of its formation. While the notion of ‘new immigrants’ – for marriage immigrants, for instance – refers to the latest arrivals, the historical immigration pattern of takeovers and marginalisation, moored in the collective memory and ostensibly validated by mainland China, seems to fuel the fear of newcomers. In relation to new immigrants, Taiwan’s population perceives itself as being culturally homogeneous. Discrimination against immigrants dominates in public discourse. Southeast Asian and Chi-



nese spouses particularly suffer from stigmatisation and the self-proclaimed superiority of the Taiwanese population. Furthermore, Chinese immigrants are caught between the ups and downs in cross-Strait relations. Pushed by the pro-independence Democratic Progressive Party (DPP) government, the discourse about Taiwanese vs. Chinese identity has overlaid the discourse about ethnicity, leaving little space for the integration of immigrants.

Regardless of the location, migrants are the most vulnerable among the labour force. In times of economic downturn, they are pushed out of their jobs, xenophobia looms, and governments are looking for ways to make life tougher for them. Governments hunt illegal workers, restrict the number of relatives arriving, and try to persuade migrants to go home. Although this is mainly about illegal and low-skilled migrants, the attraction to a particular country among the better educated might also fade.

If European integration can teach us a lesson about immigration policy, it would be that economic integration benefits the new and currently less developed – migrant-sending – member countries, thus, in the course of time, easing the worries of the older wealthier countries of the community about becoming the destination of an even larger-scale migration. The precedents of Italy, Portugal and Spain support the expectation that regulations restricting migration will be transitory. Emigration slowed when income per person approached a threshold level. And the recent slowing of inflows from EU-10 to EU-15 countries suggests that increasing convergence between old and new member states is already lowering incentives to move.

By taking this experience seriously and facing the fact that cross-national labour migration within the regions will be needed in the future, the EU as well as Taiwan could draw the conclusion that it would be beneficial to work out agreements between labour-receiving and labour-sending countries as a prelude to regional migration mechanisms. This also seems to be the conclusion drawn from experience in the fast-growing worldwide competition for skilled migrants (Shachar 2006). The escalating race for talent ought to encourage sending and receiving countries to engage in a constructive discussion about a more just distribution of wealth and opportunities.

In times of crisis and growing unemployment among domestic workers, however, immigration policies tugged between openness and control tend to shift towards control. Moreover, balancing is not only a question of adjusting labour markets; it is also influenced by political factors. German ‘Aussiedler’, for example, were accepted independent of the actual German labour market situation. In contrast, Chinese people from the mainland have been viewed as suspicious in Taiwan even in times of labour shortage. As a highly controversial subject in party policies and something which is to a large extent dependent on the respective party’s general China policy, the real nature of arguments about Chinese spouses or students is hard to discern.

Both Europe and Taiwan could possibly learn from North America that a more liberal migration regime could help the economy to be more innovative and globally competitive. But in the face of public demands to provide jobs to



local workers and to keep the level of public welfare, governments tend to forget that, on balance, the impact of immigration on national economies has been positive. In times of increasing global movement of commodities and capital it seems to be inevitable that humans move too and that societies must open their front doors – otherwise people will continue to come in through the back doors.



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