

Labour Movement In The Changing Economic And Political Situation: Case Study Of 'Independent' Trade Unions In India And Taiwan *

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Note: The terms 'trade union', 'union', 'labour union', 'workers' union', and 'labour organization' have been used interchangeably in this paper.

Abstract

Labour was a significant factor in Indian and Taiwanese politics. In history, some of the most important unions in India and in Taiwan were built around a core of members resolutely loyal to a political ideology. However, with time many tenets of labour and political history have undergone a change. The alliances between trade unions broke the links with their respective political parties or groups. The centralized and traditional union structures fell short of workers expectation and succumb to the mounting pressures of economic liberalization in India and political democratization in Taiwan, thereby giving way to 'independent' union structures. This paper examines the experiences of 'independent' trade unions in India and Taiwan in a historical context and attempts to trace the conditions that are instrumental in the growth of such unions. The case of two 'independent' unions in India and Taiwan depicts a trend where independent rank-and-file led unions have proven their collective strength time and again. It is definite that the effects of liberalization on economic activity in India and Taiwan will result in the proliferation of 'independent' unions with far greater collective voice and less monopoly effects than the present situation.

1. Introduction

This paper examines the experiences of ‘independent’ trade unions in India and Taiwan in a historical context and attempts to trace the conditions that are instrumental in the growth of such unions. A detailed review of these conditions helps us to examine the viability of ‘independent’ unions in the two growing Asian economies. The study is particularly relevant in the light of proximity between micro political forms and the trade union history of these countries. With economic liberalization, competitive forces began to affect the structure of union movement in India. Likewise, with political democratization in Taiwan, the multi-party system and withdrawal of the monopolistic norms on union began to promote ‘independent’ unions and federations.

The paper has two fold objectives: (a) to present the history of trade union movement in India and Taiwan, largely narrating the changing relationships between union, employer and the state; and (b) to elaborate and explain the conditions that were instrumental in the growth of non-political ‘independent’ unions in these countries. Flanders (1970) pointed out that there is no such animal as a non-political union, and particularly in a situation where most unions owe allegiance to a political party, it is even more difficult to speak of non-political unions (Ramaswamy 1983). However, the points that emerge out of the case discussion signify a trend where independent rank-and-file led unions (that came into existence owing to a variety of reasons) have proven their collective strength time and again.

With the advent of economic and political reforms, the state-dominated pluralism and the state-controlled unionism gradually perished in the darkness with a new ray of hope rising with the ‘independent’ unions. These unions’ active engagement in informed and militant bargaining with employers in the process put the traditional party-based unions in serious trouble with their potential recruitment terrain both challenged and curtailed (Bhattacharjee 1999). In the contemporary world of work, with the evolving bedlam in industrial relations characterized by floor crossing and inter-union rivalry, the effectiveness of a labour union is contingent upon the union leaders who disclaim allegiance to any political groups. This union, which stayed unaffiliated, although, had not kept itself detached from issues of workers’ economic concerns or country’s democratic process happens to be the central theme of the present study. The growth of these unions was attributable to certain conditions and the paper attempts to portray those prevailing conditions. With a little variation in details, such conditions could have taken place virtually in any enterprise or in any location.

2. Labour and National Politics: Historical Review of Trade Unionism in India and Taiwan

The historical period in use for review of the linkages between labour and politics are different for India and Taiwan, and this was made in line with the relevance of development of labour movement in the history of these two countries. India and Taiwan share one thing in common concerning its labour – they were primarily agricultural countries and depended on the rural economy in earlier times. However, with the advent of industrialization, domestic capital formation was glaringly slow with major economic suffering (balance of payment crisis) because of internal and external shocks. It indirectly led to the economic reforms. Labour movements have historically remained an important part of the national political process in India and Taiwan. The involvement of the Indian trade union movement in politics is evidenced by the fact the multiplicity of trade unions in the country is not due to different perspectives on labour issues but because of the different political ideologies of the parties to whom the major trade unions owe their allegiance (Saxena 1993). In Taiwan, though the ‘independent’ unions flourished after

the martial law was relieved, the country has increasingly witnessed multi-party system and an asymmetric power structure between labour and capital in form of strikes and unrest.

India

Unlike American labour unions, which operate largely in the economic field and do not acknowledge allegiance to any political party, trade unions in India were primarily organized on political lines with divided allegiance to political ideologies and parties. National independence and the victory of Congress party have contributed considerably to the growth of unions. The first trade union congress – All-India Trade Union Congress (AITUC), formed in 1920's was favoured by the cooperation of the Indian National Congress (INC). However, regardless of the leadership from INC, it cannot be said that the AITUC was under the complete control of any one political group because Congress at that time was a mixture of various political views. It was not long before the cooperation with the Congress ceased and the Communists in India who were inspired by the victory in Soviet Union and ongoing revolutionary activities in Bengal increased their effort to capture control of AITUC, which ultimately resulted in several splits and recombination between 1929 and 1945. Finally, by the end of the World War-II India boasted two major labour federations – the AITUC and the Indian Federation of Labour (IFL – which was viewed with disfavour by Congress because of its close cooperation with government in active prosecution of war) (Park 1949).

Near the beginning of 1947, the IFL started declining in power and Congress party realized that the existing conditions in labour organizations were deplorable for a party, which was soon to be called upon to lead an independent Government. Consequently, Indian National Trade Union Congress (INTUC) was formed in May 1947. Although it was founded upon independent lines, but it is to believe that the INTUC is the child of the Congress. The critics of INTUC claimed that the “unholy alliance” between the Congress party in power and a trade union federation, bodes ill for the political and economic future of India (Park 1949). However, it was the belief in the economic unionism, which forged such close links between government, INTUC, and employers all over the country during three decades of Congress rule. Weiner's (1962) observation of the INTUC leadership was succinct: “Their loyalties are to the Congress Party, to the nation and last of all to the workers who belong to their unions.” Confronted with a choice between the patronage of the ruling party and genuine worker support, the INTUC usually opted for the former (Chatterjee 1980). This initial phase corresponds to an era of state driven industrialization, when public-sector unionism rose phenomenally and unions and bargaining structures were highly centralized with state intervention – “state-dominated pluralism” (Bhattacharjee 1999).

Towards the beginning of 1960's, Congress government-INTUC duo (Kennedy 1966) had generated adequate disillusionment with the INTUC's ineffectiveness at enterprise level. This further led to a proliferation of unions affiliated to more radical political organizations during this period. According to Bhattacharjee (1999), two demographic factors may be associated with this change in worker preferences. First, a growing proportion of workers were young people who had not participated in the pre-independence labour struggles. Second and probably more important, the leaders of the radical unions at this time were mostly not party politicians but committed lawyers and student activists well versed in the bureaucratic rites of the Indian industrial relations system (Chatterjee 1980). The INTUC stood in sharp contrast to the two communist union federations – AITUC and CITU (Marxist Centre of Indian Trade Unions) as well as the unions loyal to the socialist parties. Others, which were affiliated or closely linked to regional political parties or those, which were set apart as splinters following on any factional

squabbles, were divided mainly on the political lines. The objective crisis of legitimacy of the “state dominated pluralism” model resulted in the split up of organized labour movement.

Taiwan

Labour was a significant aspect of the national politics in Taiwan, particularly during the period of political transition and in post-1987 era of democratic administration. The Nationalist Government largely restrained the situation in the island country during the Totalitarian Regime (1949 – 1970). After arriving in Taiwan, the Nationalist Kuo-Min-Tang (KMT) government took the fostering policy on unions in the preliminary stage by means of controlled founding and leading the union by the party-led state. It tried repressing the unions and systematically restrained all kinds of labour movements by using the legal systems which were promulgated prior to the Chinese Civil War, and which, the government carried with it from China.

From the 1960's, the fundamental policy of controlling union started undergoing a change. Due to the changes in political situations by 1970 plus the predicaments of trade deficits, the government had no choice but to open the doors for investors (foreign and domestic) by offering several incentive programmes.ⁱ To reinforce the regime dominion's fairness to develop its social foundation and so as to maintain the hallmarks for the successful transformation of Taiwan's economy, the trade unions' fostering and control policy was sustained (EATUF 2004: 37). The fragile condition of the trade unions brought about an uneven and asymmetric power structure between labour and capital; burying the true picture of conflict between workers and management underneath the government controlling policy. Between 1970 and 80, the KMT government received a series of diplomatic setbacks, like expelling from UN, and decided to adopt realistic policies to readjust it to the new circumstances (Hwang and Chiao 1996). Incidentally, this shift in policy was to have a profound influence on the development of industrial relations system in Taiwan.ⁱⁱ By the end of 1986, the process of political democratization in Taiwan had nearly tagged inevitability with the formation of Democratic Progressive Party (DPP) as the first true opposition party. However, the real overhauling of the industrial relation system began immediately after the lifting of the longstanding martial law.

After the historic announcement made on July 15 1987, it is believed by many scholars that the island nation crossed the threshold into a new age of the political democratization process after achieving a flourishing economic transformation and initially, the number of trade unions and their memberships had grown rapidly. In the course of this transformation, government advocated numerous policies to encourage setting up a multi-party political system to bolster the democratization process, which resulted in birth of around 76 political parties (Chiao 1993). However, the true nature of labour-politics duo started from the time when the ruling KMT party itself gradually lost its firm grips over labour unions and other opposition parties, such as DPP, New Party, Labour Party began to champion themselves as the best parties that can protect workers' interests in order to attract their votes. The KMT party began issuing several core guidelines and policies in order to win back the support of working people. Nevertheless, it is definite that the affiliated unions operating within the Taiwanese multi-party political system might face their destiny of restricted independence and overwhelming interference of political system in the near future.

3. Changing economic and political situations and rise of 'independent' union

The following paragraphs look into the economic and political changes that have resulted in the rise of 'independent' unions in India and Taiwan, and the consequences of those factors at national, regional, or plant levels are further elaborated. At the outset, it is essential to conceptualize the expression 'independent trade union' to an extent, which encompasses the

contemporary meanings assigned to the term within the industrial relations practices of the two countries. By definition, a local independent union is a labour organization with membership in one plant or company not affiliated with any national union or the federation of any union, and free of employer control, directly or indirectly (Troy 1961). Although there have been debates on whether local independent unions are 'company unions' (see for a review, Taft 1942; Troy 1961), yet there appear to be certain common characteristics. In this paper, the word 'independent' is carefully used to signify a broader perspective of union as collective muscle and its decentralized power in collective actions to promote industrial democracy.

Rise of 'Independent' Union – the Indian experience

Since mid 1980, organized labour has not been able to challenge India's centrist ideology and politics, that is, to amount or support a left class party (Rudolph and Rudolph 1987). The causal factors for the rise of 'independent' unions can be summarized as follows:

The multiplicity of unions led to a severe inter-union rivalry, which promoted a parochial and unprincipled view of membership among the union leaders. Since the union's bargaining strength is positively related to their size, membership was a crucial element to be inflated. Eventually, the union (caught in inter-union rivalry) realized that only an independent, vigorous labour organization that enjoys the loyalty of the members has any chance of standing up to the challenges from rival unions and possible government hostility to defend its relationship with management (Ramaswamy 1983). In its 'loyalty contest', the unions were caught in the fray over commitment to a political ideology or safeguarding the economic interest of the workers. Many unions opted for the latter and ultimately grew as an 'independent' union. This led to a line of distinction between two types of union – "altruistic" and "selfish unions" (See, Bhattacharjee (1999), where, he suggests that the national politically affiliated federations seem to display the "altruistic" behaviour, whereas the 'independent' unions will approximate the "selfishness").

The employers also have indirectly played a crucial role by promoting unaffiliated local 'company unions' in their enterprises. Employers have all the time remained sensitive to the political affiliation of the labour organizations. Their hostility to political unions stems from the possibility that union leaders might exploit their worker following and paralyze production to pursue political goals, such as bringing down a government (Ramaswamy 1983). Caught in the fierce conflict with the government's protectionist policies, they gradually started promoting plant level unions, and created pliable union leaders who behaved 'responsibly' and played down the union demands to obtain the status of a 'favourite union'. The "unholy alliance" guided by the protectionist legislations (e.g., employer obligation to offer the status of recognized union) has favoured such move further. Many 'company unions' in the course of time veiled in darkness a sham independence to maintain their credibility among workers. Employers used the tactic of systematically channeling the economic benefits to workers through union so that workers' loyalty to its 'favourite union' does not get affected.

The real twist occurred when the adventurist union leaders started raising their voice and questioning the integrity of 'company unions'. Their argument was on the company union conniving with employer to repudiate the workers their right. Furthermore, the workers were disappointed with the bargaining weakness of traditional unions (Pendse 1981). This resulted in the rise of 'independent' unions in Western India (in Bombay [Mumbai] in particular) from within the rank-and-file, setting their own unit leaders.

Finally, one of the biggest boosts to 'independent' trade unionism in India arrived from the famed leader of 1982 – Dr. Datta Samant, and the Bombay textile strike of 1982. "We have now realized that workers should have a political party controlled by them rather than be

controlled by the parties”, asserts Dr. Samant in 1985 in an interview given to Illustrated Weekly of India. The workers of the textile mills who wanted control over their labour market and industrial relation outcomes at the level of the individual mill approached Dr. Samant to lead an ‘independent’ trade union movement in Western India. Although, his assassination had caused an unexpected cessation of the ‘independent’ trade union movement, but his role and leadership has created a perfect quintessence of a contemporary union leader and offered direction to several other young and energetic labour activists.

Rise of ‘Independent’ Union – the Taiwanese experience

The industrial relations situation in Taiwan is different from that of India; especially, the way ‘independent’ unions came into being. If we reflect on the explanations on why and how the ‘independent’ unions evolved, we come across the following causal factors summarized below:

Firstly, after the lifting of martial law, the labour movement in Taiwan behaved quite like any other social movements with the number of labour unions soaring markedly. Various social organizations, which rebounded after the lifting of martial law, supported the cause of organized labour movement by participating in large-scale demonstrations in public enterprises affected by the privatization (Hwang and Chiao 1996). Secondly, after a multi-party political system was established, the Legislative Yuan has gradually degenerated into a forum for political debates and its normal legislative functions have been severely undermined. Most of the important labour reform bills were shelved indefinitely (Hwang and Chiao 1996). This made the growing labour unions to rethink on their affiliation with the political parties. Political parties’ excessive indulgence in conceding to the demands of social movements that produced enormous social costs has negatively affected the long-term interest of labour. Government’s role in scrapping or shifting numerous investment programmes caused a serious disappointment to the working class.

Thirdly, the government accelerates economic de-regulation, which sometimes has caused unexpected economic hardship along with employment insecurity and uncertainty among the employees of State Owned Enterprises (SOEs). Many public enterprises union restrained their right to protest against the government’s policies by forming ‘independent’ alliances with unions from other enterprises or locations (like “brotherly trade unions”, “friendship organizations”, “brotherhood alliances”, which are independent or had not been nominated by the party and capital to elect a director and supervisor with the purpose of influencing trade union affairs). They have gradually realized that the trade union strength of one factory was not enough in limitation of the country’s trade union law (EATUF 2004: 37).

Fourthly, most of labour unions in Taiwan belong to professional category and many of the union directors and presidents were members of the professional unions (or craft unions, which constitute around 60 per cent of total unionized workforce; remaining 40 per cent in the industrial unions). However, in accordance with the existing coercive law, the industrial trade union and professional union should consist of one federation of unions. But, the craft union was considered to be one of the barriers in the way of progress of labour unions in Taiwan and bond between these unions and members was weak. Therefore, the voice to separate industrial unions from craft unions became stronger. Finally, this divide has formally opened a multi-element prelude of ‘independent’ trade union alliances in Taiwan rise of ‘independent’ unions – in April 1994, a percentage of Taipei County Trade Unions founded the Taipei Industrial Federation of Trade Union. (EATUF 2004: 40).

4. Case

The cases described, relate to the multi-faceted aspects of unaffiliated ‘independent’ trade unions in India and Taiwan. The two cases were selected for closer research mainly for following

reasons – first though they belong to two different industry sectors, yet they were closely matched in historical terms – evolution of ‘independent’ union as unique entity. Secondly, the economic and political uproar and its effect on ‘independent’ unions in these countries offer extraordinary opportunities to explore common and distinct factors instrumental in their growth. Thirdly, the nature of their growth and critical incidences, which verified and bolstered collective strength allowed a closer comparison of performance than was possible in most other unions. Fourthly, from the outset, they publicly embraced quite different strategies towards un-affiliation and alliances like ‘company union’ to ‘independent federation’ as opposed to ‘SOE union’ to ‘alliances of industrial unions’. Finally, leadership in both independent unions played an essential role and allowed a closer look into the characteristics of independent union leadership style. The objective of the cases given in the paper is to exemplify a situation that could have taken place virtually anywhere in any enterprise or in any location with some minor differences.

4.1 Case of Blue Star Workers Union, India

When three small companies under the same management were amalgamated into one big business – Blue Star Limited (BSL) and listed in Bombay Stock Exchange in 1969, the union formation process in the company galloped speed subsequently to this merger. By 1969, workers in the factory of BSL were members of Bombay Labour Union (BLU) – led by Mr. George Fernandez of Socialists – *Hind Mazdoor Panchayat* (HMP or Indian Workers Council). Blue Star workers in Thane (one of the old industrial areas located close to Mumbai) factory were not contented with BLU. They were looking for an alternative, and this was the time, when Mr. Nambiath Vasudevan, who was employed as a stenographer in BSL’s corporate office, got in touch with the leading elements in Thane factory. In the meantime, Mr. Vasudevan had established contact with Mr. Yashwant Chavan of *Sarva Shramik Sangh* (SSS – a general workers union having members in different industries and politically connected to *Lal Nishaan* (Red Flag) Group – a splinter group of the old communist movement). Leading members in Thane factory who were disenchanted with BLU preferred a non-communist party union with a Red Flag. Since SSS fitted the bill, Mr. Vasudevan introduced Mr. Chavan to workers at BSL, Thane factory and they left BLU and joined SSS.

History

Mr. Vasudevan had reached an understanding with Mr. Chavan that in the event BSL workers in offices and service centers succeed in forming a union, staff from Thane factory would be transferred to the new union and the principle of one union in one industry would be followed. Attempts to organize office employees into a union became single-minded objective of Mr. Vasudevan. Among several factors that stood in the way, one major hurdle was the bitter experience of employees in the service stations where a union was formed with internal leadership and the employer’s success in promoting union President and office bearers as company officers, thus killing the organization. Mr. Vasudevan had to move cautiously.

During 1969-70, prices were rising and there was a ceiling on Dearness Allowance paid to office employees. Since Mr. Vasudevan had the intimate knowledge of wage levels in the factory and offices, he was instrumental in collecting mass signature from office employees and in approaching the management of BSL and broached their concern with employer through submission of a Memorandum for changes in wage conditions. While doing so he was lying low. Besides manufacturing products like water coolers and air-conditioners at Thane, BSL was marketing well-known foreign and Indian brands of machines, tools, instruments, controls, etc., and the marketing and service activity brought in major profit share for the company.

BSL was growing because of its virtual leadership in the distributorship market. It was keen in escalating the growth and as a result, it started employing a large pool of recruits for its corporate office in Bombay. However, many of these new employees from the city began quitting jobs after a short period owing to their well-to-do family conditions. Eventually those who remained were ones who needed the job, and these employees were open to the idea of forming a union, though it was an uphill task. In order to seek greater attention of employees towards a collective existence, Mr. Vasudevan tried out numerous new initiatives with the office employees, like no profit no loss Assistance and Benefit Club (ABC), etc, which provided an opportunity to bring employees together and was a move towards the group formation. Gradually, the employees' realization of a considerable amount of confidence and trust in each other, and in solidarity paved the way for a major rights movement in BSL. In the intervening time, the group started taking up issues related to employee welfare and picked up nuances of acting on behalf of workers.

The "Gateway"

The state of quasi-dormancy ended with management's abrupt act of enforcing on stenographers to replace the peons in distribution of mail in BSL. Company's announcement of this change in policy generated anger among the stenographers. Cashing on this anger, the stenographers submitted a common letter of protest to management, stating, that such enforcement to replace all peons is a degrading treatment and derogatory to them. Though the management denied the contentions and upheld such move for greater organizational development, yet they called a meeting of stenographers on May 07, 1971. The company Director addressed this unusual meeting. During the meeting, employees were not focused in their responses and this compelled Mr. Vasudevan to get up and speak on behalf of the stenographers. His sudden manifest of command in the group was responded by the Director's satire – "Yes, union leader, what do you want to say?" Instantly the particular remark made publicly, egged on Mr. Vasudevan to accept the role and become a real leader of the group. His voice in the meeting remained unheard no more, the scheme announced was withdrawn and was later made voluntary for stenographers. On the evening of May 07, the group under the leadership of Mr. Vasudevan proceeded to Mr. Chavan's office and opted to form a union.

With SSS's readiness to develop an office employees' union, the Blue Star Workers Union (BSWU) was finally organized on May 21, 1971. Initially the members were from the offices of BSL. In the following days and months, employees from service centers and repair stations were approached in a tactical way. Many of the service mechanics, who were members of cricket club and who play cricket on weekly holidays, were contacted by Mr. Vasudevan in the playing field during breaks or in the club meeting rooms. With time, these employees quietly joined BSWU. It would have been an uphill battle to wean the employees from allied units and gain recognition from management.

Cautious and Sentient Move

During 1969-71, Mr. Vasudevan had developed contacts with other unaffiliated unions and had association with some of those unions who were militantly fighting against employer for their rights (like, Voltas Employees' Union and Kamani Employees' Union). He knew exactly how harsh the reality was with the militant union leaders from other 'Company Unions' at Voltas Ltd., etc. who were either promoted or transferred to other units of the company in the course of union's struggle to seek greater independence from the control of management. Moreover, he was alert to the limitations of his own union and did not want to exacerbate already fragile

conditions of BSWU, so had no choice but to maintain a low profile in bargaining with the management.

Management wanted to test its control on the union leader (Vasudevan) under conditions that were eminently fair to workers and wanted to test the leader's resilience and adaptability to the employer's controlling measures. Establishing the union and consolidating it was primary concern, hence, leader had to move tactically at every stage. For about one year, he and other office bearers of BSWU fought with all odds to build confidence among the members and prepared them for the final assault under the garb of wage settlement. After the General Body Meeting (GBM) in September 1971, BSWU prepared its Charter of Demand for the first 'survival test' – collective bargaining. Although the wage settlement did not bring any major financial gain for workers, yet it could establish pay scales for the first time, removed several anomalies in service conditions, and introduced leave facilities.

Union Organizing Efforts

Meanwhile, SSS under the leadership of Mr. Chavan transferred all its members to BSWU on May 01, 1973, and this makes the Thane factory workers, service centre and office employees in Bombay to come under a common union for the first time. In September 1973, Mr. Vasudevan visited Delhi, met several employees and in a day's time formed a union in Delhi. However, it was short-lived, and the management in Delhi managed to dismantle the union before Mr. Vasudevan reached Bombay. BSWU witnessed its actual individual expansion when in September 1975 a six-member coordination committee comprising representatives from Bombay, Calcutta (Kolkata) and Madras (Chennai) was formed with a view to form an All India Federation. The representatives from nine different locations met in Bombay in November 1975 for three days and the All India Blue Star Employees Federation (AIBSEF) was formed. BSL management turned hostile to AIBSEF and they resisted Federation's demand for recognition. Since then the management began with a major offensive and launched a series of attacks on employees. Proposal was formulated by AIBSEF to have regional level unions for south, north, west and east zones. In the case of southern region, union based in Madras submitted demands on behalf of employees spread over three other southern regional units, held talks and reached settlement with the regional management on common demands. At this stage, the corporate management put spokes in the wheel and prevented the possibility of signing a settlement covering the entire southern region employees.

Intra-union Solidarity

Non-signing a settlement for southern region employees created a crisis. Employer was prepared to give wage hike only to employees at Madras unit and insisted that employees working in units from other southern regional units must have their separate unions. This would mean that there would be delay in wage benefits reaching those outside Madras. If employees at Madras went ahead with signing of the settlement, it would be a blow to solidarity. After reaching agreement, for the sake of solidarity, asking employees from Madras unit to wait indefinitely could harm their morale. Ultimately, solidarity prevailed and members from Madras unit refused to go ahead with the settlement. This crisis necessitated formation of separate unions in other units from southern region like Bangalore, Secunderabad and Cochin. In all the three places, employees elected a non-employee as their President. In Bangalore, employees elected Mr. K.S. Subrahmanyya as President. Mr. Subrahmanyya was a victimized employee of Voltas Ltd. and BSL management insisted that he should be removed from union, but the Bangalore union and AIBSEF outrightly rejected management's demand.

There could not have been a more emphatic assertion of the utter independence and steadfast loyalty among the workers to the leadership of Mr. Vasudevan. AIBSEF opposing the demand of the management called a general agitation all over the country in support of the recognition of Bangalore Union with Mr. Subrahmanya as President. In the course of the agitation, the company dismissed two employees from Bangalore and Secunderabad units. AIBSEF demanded for reinstatement of the dismissed employees and workers resorted to all legitimate methods including go-slow tactics, mass deputations etc. Further, strategies like intermittent strikes were cautiously planned and called on recurrently, and these partial strikes affecting a part of department, or certain sections of workers vital to production were organized mostly without prior intimation to employer and hence it invited no immediate reprisal. Finally, after four years of hard battle, in 1979, Mr. Subrahmanya was recognized as President of union in Bangalore unit by the management, and two dismissed employees were reinstated back.

During 1975-79, the country witnessed, one of the worst turmoil in labour movement with the declaration of state of Emergency by Indira Gandhi led Congress government. The administration tried out all means and methods to destabilize union activities and employer took the benefit of the State's mandate by launching an organized offense against unions. In fact, they went so far as to discontinue all ex-gratia bonuses paid under wage settlement and several cases were registered with police against union. Soon after the emergency was lifted up, serious protest against BSL management was launched by AIBSEF. In 1982, the famous Bombay textile strike took place and throughout the one-year period of the strike, workers in different parts of the country contributed money every month in support of the striking workers. BSL management openly opposed the union move and instigated gullible employees to defy the union. Influenced by the management a fraction of members voiced their refusal to go with the union's decision concerning solidarity with textile workers and protested. The union leadership stood firm on its commitment to the striking workers and all the fifteen odd members who opposed working class solidarity were expelled in a GBM of union. The intolerant management was waiting to destroy the unity of the workers. In May 1984, there was a communal riot in Thane and using this disturbance, management declared a lock out in Thane factory from June 01, 1984.

Economic and Political hostility and Union's Response

The lockout at Thane Factory lasted for a total of nine months. The management oscillated between the pressures from the militant union and judicial proceedings in Supreme Court against the lockout. In the end, with Supreme Court's decision, management lifted the lockout in three phases (days), allowing in the workers in three different groups. The groups permitted in first two days comprised of relatively less militant workers and the last group was of the union activists. Management's decision to reopen the factory in three phases was only to bring unilateral changes in the condition of services of workers after lockout in clear defiance of the settlement terms (like stopping bus at factory gate, low quality of foodstuff offered to workers, change in production norms, etc.). Management's ploy to bring in the change with the first two groups of non-militant workers offered courage to implement the same on third consecutive day. However, the class-conscious union activists on the third day attacked the decision as anti-labour, and refused to step out of the bus outside the gate. They shouted: "Open the gate or take us back to the railway station". The choice before the employer was either to relent or face another bout of production loss. This display of striking back immediately after the lock out amounted to a kick in the teeth to the management who had anticipated a weak lot of exhausted workers on their knees returning to work after nine months of lock out.

Employer's calculation that a lock out would act as a tool to starve workers into submission did not succeed in this case. The nine-month long lock out leading to disrupted production and supply, hugely damaging market position and customer dissatisfaction had caused immense weakness to the management. During the entire period, locked out workers were given monetary help, though insufficient, by Federation through special collections from working employees throughout the country. Faced with the resistance from union and the crippling burden of loss made during lock out, they restored the old conditions and paid the necessary price to secure cooperation of union and workers.

Legal Battle for the Rights of Union

By end of 1980s, the management stirs up fierce enmity against the unions, which embarked on a spree of victimizations and union bashing. A systematic offensive was launched against the union activists and settlement terms were flouted. Wage agreements were signed with individuals and thumb impressions were obtained from graduate employees disowning union and federation. Culminating this part of the offensive, company stopped paying salary to Mr. Vasudevan with effect from October 1989 on the specious plea that he was carrying on trade union activity during working hours. It was Mr. Vasudevan's contention that the management had allowed him to do full time union work on behalf of employees as against a battery of managers did the same for management.

The union approached the industrial court against the management's decision accusing the company of unfair labour practice. The trial court termed company's action as unfair labour practice and company's writ petition in the High Court was not admitted. Company went in appeal before a division bench, which stayed the industrial court order. Finally, a division bench of the Bombay High Court on March 01, 1996 set aside the industrial court order and ruled that management need not pay a worker for carrying out trade union work during working hours, so the withdrawal of concession will not amount to unfair labour practice. However, this legal battle resulted in the gain of members' confidence towards the leadership, particularly, when employer is powerful.

Inter-union Relationship and Alliances

The pioneering history of the BSWU joining other labour movements began since 1970 when Mr. Vasudevan got associated with the Middle Class Employees Coordination Committee consisting of several unions espousing general issues affecting working class and rural poor. In 1989, he became a convener of Trade Union Solidarity Committee (TUSC) which is a constituent of Joint Action Committee of Unions that was responsible for several solidarity actions, legal assistance to unions, and works closely with city based national trade union centers like AITUC, CITU, HMS, HMKP, Federations in Banks, Insurance, Railways, Road Transport, Teachers, and factory. In spite of owing faith in Marxist ideology, Mr. Vasudevan accommodated and worked with people with diverse viewpoints and beliefs. This is evident from the incidence when unions in Maharashtra – casting aside ideological differences decided to oppose IMF/World Bank/WTO dictated anti-labour policies and observed a statewide '*bandh*' on April 25, 2001 joining hands with Shiv-Sena led unions(Extreme Right Wing), BMS and INTUC.

The Leadership and Vision

Ramaswamy (1988) wisely pointed out: "The driving forces of the Bombay labour movement are union leaders who disclaim allegiance to political parties and their trade union federations. What we find here is the most evolved Indian version of business trade unionism", and "the city has witnessed the steady decline, if not eclipse into oblivion, of ideological trade unionism". The

65-year-old leader of BSWU believes that trade unions should be independent of political parties, employers and government and unions must be rooted in working class politics, not party politics. He believes that unions, by their very nature struggle for reforms, and the very reforms over a period, in the absence of political consciousness, eat into the vitals of the struggles thus destroying the capacity of workers and unions in playing a role to create a society free of exploitation and oppression.

4.2 Case of Chunghwa Telecom Workers' Union, Taiwan

History

Taiwan Telecom Workers' Union launched the preparatory work on April 17, 1957 and drafted the trade union constitution. On June 30 1957, it held the First Member's Representative Assembly, and the Taiwan Telecom Worker's Union (TTWU) was formally established with 12 branches and 4,288 members (considered to be the largest and one of the oldest unions in Taiwan). During the Nationalist government regime people perceived TTWU – the SOE union as the state controlled labour organization formed underneath the government's fostering and controlling policy of having monopolistic trade unions in the island country. After long resistance shown by the members who strongly opposed the privatization of telecom bureau, Taiwan Telecom Bureau formally was reformed to the Chunghwa Telecom Incorporated Company (CHT Inc) on July 01 1996. Due to the restructuring of CHT, the workers' union was renamed as Chunghwa Telecom Workers' Union (CTWU – the largest union in Taiwan with around 25,800 members). This particular step of privatization added up an enormous force to the CTWU's move to emerge as an independent labour union out from the status of monopolistic SOE union.

Structure and Leadership

Mr. Chang, Hsu-Chung joined the labour movement of Taiwan early in 1987 after the Marshall Law was lifted. He remained a member of the union for a decade since 1987 and soon after privatization, CTWU's first election was held on November 06 1996, when, Mr. Chang was elected as the president of the union for the first time. The victory of Mr. Chang scored a new beginning with a labour representative elected as Director-general for the first time in labour history of Taiwan. The media described the result as "change of heaven". In the second union presidential election in 2000, a faction within CTWU emerged out of the involvement of capital forces, administration and political parties, and Mr. Chang lost the election. Mr. Chen, Jun-Chou was elected as the president. It was in fact the rise of this faction and its support from the both KMT party and management of CHT that could be attributed to the defeat of Mr. Chang. However, immediately after the election, in the next week, KMT, the then ruling party lost the national election for the first time in history of Taiwan.

Lobbying for Greater Industrial Democracy

In the post-1987 era, among other developments in the area of industrial democracy, the large SOE unions – like CTWU, gradually brought new strategies to fight the mounting pressure from economic liberalization processes. On one hand, while noisy demonstration of SOE unions increasingly became a common phenomenon whenever privatization measures were deliberated in legislature, on the other hand, these unions were also active in taking up other political and social issues, such as anti-corruption, consumer protection, social security, and fight for it. Tens of thousands of people on street protesting and deliberating on one cause without a doubt take the idea across to millions in other parts of the world besides creating the necessary impact on domestic administration. However, lobbying inside the legislature has its own specialty when it comes on using it for greater equality and justice.

In this course, many SOE unions could make some breakthrough in terms of creating pressure on legislature through lobbying (after five years of lobbying by CTWU, the ratification brought in 2000 by the ruling DPP party in existing legislation in the form of provision of Paragraph 1 under Article 35 of Administrative Law on SOE is an example of this). The sentient effort of unions and government's responsible reaction has stroke a new ray of hope for the uprising industrial democracy in the country. The ratification guaranteed a fifth of the seats on SOE Board of Directors (BoD) reserved for union representatives; by virtue of the fact that the government's stock in CHT is more than 35 per cent, hence vide provision (Para 1), CHT has Mr. Chang as a union representative in its BoD.

In union's opinion, "a fifth of the seats is far from being influential in board meetings, but it allows workers' opinions to be heard and allows the decision-making process to be transparent" (Hwang 2005: interview excerpt of CTWU Gen. Secty). Seats on the BoD also yielded an unexpected windfall for the CTWU when company sold 13.5 per cent of its stock in December 2002, indirectly to one of its private sector competitors. Henceforth, union representatives started increasingly playing the role of watchdogs on BoD, making sure that the competitor does not send representatives to board meetings.

Economic Hostility and Union's Response

The real antagonism of CTWU to privatization of SOEs began late in 1996. Beneath the furious hostility of CTWU to the privatization of CHT, the Administrative Vice-Director of the Ministry of Transportation and Communications, Mr. Mao Chih Kuo declared that CHT was not transformed into a private-operated company but merely transformed to a corporation, and employees' rights and interests will not change within next fifty years. But regardless of Mr. Kuo's proclamation, in a year's time, the situation began changing rapidly and led to the actual crusade against privatization. CTWU responded vigorously.ⁱⁱⁱ The union demanded for budget cancellation, but government was hell-bent upon enacting the budget plan. Therefore, considering the rising state hostility towards workers and in view of the aggressive move of government on privatization, the alliance of SOE unions was formed on July 27 1999. In 1998, the trade union federations in eight counties – CTWU, Taiwan Petroleum Workers' Union, Taiwan Power Labour Union, Taiwan Railway Labour Union, Taiwan Motor Labour Union and Public Sale Bureau Labour Union have claimed to establish the preparatory committee of Taiwan Confederation of Trade Unions (TCTU). The collective muscle of the federation tried to set up a nationwide 'independent' trade union organization, so as to be different from the Chinese Federation of Labour Republic of China with strong official features. After three years of effort, TCTU was formally founded on May 1 2000 with a legal status (EATUF 2004: 41).

On June 30 2000, CTWU under the leadership of Mr. Chang led the members and submitted a petition to Taiwan Securities Exchange (TSE) for putting off the entry of CHT's stock in the market. However, the then President of CTWU, Mr. Chen proffered his support under the legal proceedings to the state's privatization policy without union's decision. Eventually, his support brings about the entry of CHT's stock in the market on August 16 2000. In the next one and half month period, Taiwan stock market started slumping and Control Yuan also began restoring the possibility of selling state property at a lower price, but amidst the bedlam, on July 17 2003 the CHT was finally listed on NYSE and ADR was issued.

A chain of occurrences^{iv} during this period signifies the workers' protests against the state's move. On September 23 2003, consortiums and rivals took hold of CHT and government was forced to implement privatization. The union appealed to Legislative Yuan for rescuing property of people, fighting against consortium rules and protecting rights and interests, and

mobilized around 5000 members to address the petition. They voiced their fortitude in combating the ill-planned privatization. This was the testing time for alliances and federation to draw closer in support of CTWU workers and in effect, they did not fail. It brought about a momentary halt to the rolling storm of privatization, and on July 11 2004, Legislative Yuan passed a rule to postpone the stock releasing until the time CHT signs a collective agreement with CTWU.

Finally, after facing several years of resistance and after ignoring two admonitions from the Control Yuan for improperly selling stock and a legislative resolution to suspend further stock sales, in 2005, CHT was privatized with the company reducing its government ownership from 65 per cent to around 48 per cent, thus meeting nation's 'definition' of privatization. Since 2005, CHT went through downsizing, forcing its employees to retire on three different times in the last two years. CTWU opposed the privatization drive and under the existing law^v, they voted in December 2004, where more than 50 per cent of members voted in favour of CTWU's decision to go on strike. About 200 members of CTWU went on strike in Taipei, Taichung and Kaohsiung in May 2005. The strike did not last beyond 2 days however; it remains as one of the biggest event of strike in the history of Taiwan's labour movement. It also shows that the government's push for privatization of SOEs or at the least the creation of corporatized profit makers in the public sector has put two fundamental public interests on a collision course. The state wants publicly funded SOEs to turn a profit so as not to waste taxpayers' money, but public-sector employees want a fair share from government and a reasonable degree of job security.

Leadership and the vision

Mr. Chang, owe his success of leading the CTWU campaign for three terms (with two consecutive terms) to his personal and CTWU's neutral political stand. CTWU does not owe allegiance to any particular political party however it maintains its relationship with both the major political groups instead of having a close accord with a specific group of legislators. Mr. Chang's reactionary response was, "instead of political parties influencing the trade union, the trade union should be able to influence the political parties and system". In the light of the discontentment among unions towards the anti-labour reform policies of all major political parties, CTWU envisages an uprising with the formation of a Left Wing in the political sphere of Taiwan. The other apparent reasons behind Mr. Chang's growing popularity in his union and acceptance among the working class in Taiwan are his long years of commitment and steadiness in his work. Though he hails from Kaohsiung (a southern city), he stays alone away from his family in the CTWU office at Taipei to support the cause of his fellow workers' right through the union work.

When most of parent companies in banking, telecom, media and communication sectors are outsourcing their jobs to small subsidiaries, and (in some case) the subsidiary company is further sourcing out to another small enterprise, then finally, employees working in small subsidiaries of the parent company are no more able to withhold back their union membership, which they had previously in parent company. CTWU is apprehensive about such consequences of outsourcing of jobs. His major plan is to promote the unions in company's board within small and medium enterprises (SMEs) and other enterprises – 7-Eleven (which is one of the largest employers among convenient stores chain in Taiwan). He plans to achieve: generating and managing effectively an independent financial source, and effective utilization of union fund; educating workers so as to make them capable of experiencing a fair election system and get empowered to influence the political power in improving conditions of union; and achieving a greater level of independence for union. His ideas are mostly influenced by the process of democratization and

socialist movement in South Korea (A model that already exists in South Korean democratic process influences the 2007 amendment in the existing Election Law of Taiwan).

5. Conclusion

In history, some of the most important unions in India as well as in Taiwan were built around a core of members resolutely loyal to a political ideology. These members considered the union as important for fostering that ideology or policies of the political parties in rule. However, with time the alliances between trade unions broke the links with their respective political parties or groups. The centralized and traditional union structures fell short of worker expectation, thereby giving way to ‘independent’ and decentralized union structures (Davala 1992; Muralidhar 1994). This paper attempts to describe the case of two ‘independent’ unions in India and Taiwan – who have hitherto preserved the position of vigorous independent nature after four decades of struggle. They are neither affiliated to any national political parties, nor remained any longer a ‘company union’.

The political democratization process in India began with independence in 1947 after a century of struggle with the British rule. A late economic liberalization process that started in 1992 followed this democratization process. Whereas, in Taiwan, the successful economic transformation took place between 1949 and 1987 and with the lifting up of the longstanding martial law in 1987, Taiwan started irreversibly to embark on a political democratization process, which is as remarkable as the successful economic transformation achieved in the past four decades. The distinction in the political and economic structures of the two nations is also expected to have played a role in deciding the course of independent union’s growth. Similarly, there seems to be a difference between the factors that were instrumental in the growth of independent labour movement in India and Taiwan.

On one hand, in India, employee loyalty, employer strategy of promoting company unions, changing political situations with the break of “unholy alliance” after emergency and the division between “altruistic” politically affiliated and “selfish” independent unions on bargaining strategy to trade off better wage were found to be some of the causal factors of independent trade unionism. On the other hand, in Taiwan, the multi-party system, political parties’ excessive indulgence in conceding to demands of social movements, divide between industrial and professional unions and government’s hostile move in privatization have finally made unions in Taiwan to unite in form of independent alliances.

The cases we have presented amply illustrate the above. The cases are repository of a number of critical factors which led to the emergence of ‘independent’ labour movement. Since the end of the state dominated market regime and emergence of political democratization, the trade union movement has developed through a series of stages, mirroring the country’s transition to a free market and multi-party political system and this feature examines the process and situation, as of 2007, with regard to trade union representativeness, membership and strategies. In general the factors that are said to influence the emergence of independent labour unions are – composition of jobs, workers and firms, macro-economic variables, state policies, employer actions and union activities. Furthermore, localized bargaining no longer remains a key to success of independent labour union in both the countries.

Some common themes that have evolved out of above case discussions are explained in this paragraph. First, analysis of effective causes of emergence of both unions refutes some of the previous explanations on local independent labour union and suggests that local independence cannot be equated with employer domination and it is not the effective cause of their emergence. Nothing was found in the cases which is similar to what Troy (1960) suggested

that local independent labour union oppose national affiliation principally because they believe that their members' incomes (wage rates) can be maximized by localized bargaining. It was found that external and internal conditions instrumental in growth of these independent unions and strengthening their camaraderie have evolved out of crisis brought in due to economic hostility towards labour like wage bargaining, right to represent, employment insecurity, economic de-regulation. Analysis also shows that membership is a mixed bag with employees having individual allegiance to different political ideologies yet joined hand to create a competitive bargaining strength. Leadership (style) plays a key role in shaping the course of action and strategies opted by the independent unions to counter employer's hostility. Moreover, initial phase of expansion of independent unions is largely driven by a small clique of cautious workers and not by the entire institution.

Some distinct themes that have evolved out of the analysis are mentioned below. First, the private company union in course of its emergence is found to be more alert and militant in its movement than SOE union which commonly uses petition, alliances demonstration and street protest to exhibit its drive for independence in the society. The independent unions emerged out of company enterprise unions of capital-intensive private enterprise in India, whereas, in Taiwan, independent unions have its roots in SOEs rather than private enterprises. The company union in India has chosen more militant and aggressive methods with getting subtly exposed through use of tactics like intermittent strike, whereas, SOE union in Taiwan has worked around organizing protests through petition to legislature and lobbying at apex level of political decision making. This distinction might be due to the difference in the nature of labour movement per se in these countries and also because of the differences in the industry sectors to which the unions are primarily attached.

The company union operated more at the local level to expand its membership strength without much dispute in leadership position, whereas the public sector enterprise union had a tough race for leader's position operating in the peripheral level to expand its network. Given a chance, company union was found to have turned more "selfish" in terms of attaining a good bargain for its members rather than expanding its members' strength. In India the economic issue of wage bargaining and employee right to form union and collective bargaining are frequently challenged by the employer within the legislative framework operating inside the political democracy, whereas, in Taiwan the major issues are related to economic hostility of state's aggression through de-regulation and changing stand of government on labour and employment

The organized labour movement will have to come to terms with global competition, technology, new industrial organization and structural/demographic changes in the workforce. In the private sector, trade unions have adapted their structures in response to the decentralization of industrial relations, but these adjustments are painful and difficult in the public sector. There is no other way but to increase membership, which means organizing vulnerable workers in the informal sector. This is the most obvious way for unions to win broader community support. Finally, trade unions can only gain by cooperating and working together. Perhaps the new millennium will witness a series of mergers leading to a united and independent labour movement.

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ⁱ On one hand, the KMT government had greatly promoted export, primarily, as an economical tactic; while on the other hand, the government had to face pressure from out-parties (EATUF 2004: 37). In a situation characterized by lack of natural resources and growing export market, the only feasible way to attract foreign investments and promote domestic industries to gain competitive edges for Taiwanese products in world markets was through the utilization of abundant, cheap, dedicated and well-disciplined human resources on the island (Hwang and Chiao 1996).

ⁱⁱ After the severance of diplomatic relations with the US in 1979, the government under the Presidency of Mr. Chiang Ching-Kuo undertook a series of reformative measures The American GSP (Generalized System of Preference) system along with the complain voiced by the US labour unions like AFL-CIO and UAW during the congressional hearings about Taiwan's labour practices lobbied in favour of further reform in labour law and practice (Chen 1990). By mid-1980s, a new generation of rights-conscious workers started to challenge the status quo and in 1984, they secured support from the passage of the Labor Standards Act.

ⁱⁱⁱ CTWU became the first union in Taiwan to put its protest against in its Constitution (on November 27 1997). On December 03 1998, CTWU held a press conference to issue the first set of strike fund. In 1999, with the government's ambitious plan to have stock releasing budget for CHT, the union retaliated back with a joint petition from 5000 members of CTWU to Legislative Yuan.

^{iv} Against the backdrop of around 7000 employees taking retirement, on July 10, 2003, the union mobilized all cadres in the province to firmly remain on temporary board of the company and objected to actualize 'share purchase scheme'. Meanwhile, CHT held a board meeting on June 24th 2003 and claimed to borrow NT\$ 50 billion for the stock floatation system and purchase 10 per cent shares back to cancel at one time. The shares were all held by the Ministry, and proportions of official shares were 79.56 per cent at that time. The Union rebounded strongly and aroused members to surround the Board meeting site all night. The board of directors had not voted the resolution that day. On September 23, more than 1000 cadres of friendly unions from the whole of Taiwan came to express their support, which made a turning point in fighting campaign against the privatization. On November 27, 2003, the Association of SOE unions went to Executive Yuan to present a petition for reviewing privatization in a sit-down manner, appealing for "fighting against the consortium control".

^v The precondition according to the law for any union to go on strike is that more than 50 per cent of union members should vote by coming to a special place to arrive at an agreement on Union going for strike. It is not the leader who is going to decide on whether the union should go for strike but it is the member who will vote in a process to reach to an agreement on whether their union should strike.