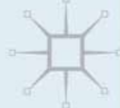
WORKING CLASS FORMATION IN TAIWAN

Fractured Solidarity in State-Owned Enterprises, *1945-2012*

Ming-sho Ho



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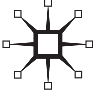

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Preface

Taiwan's workers manufactured the postwar economic "miracle" with their own hands and helped to bring about political democracy through their activism and electoral support for the opposition; yet, they remain the unsung heroes in these two great achievements of modernity. More often than not, scholarly writings focus on technocratic officials and middle-class professionals in explaining Taiwan's economic and political successes without evaluating the contributions from the working class. A stereotypical image of diligent, docile, and apolitical workers prevails. While conservatives praise these traits as the manifestation of a Confucian or an Asian virtue, radicals denounce them as an unfortunate result of political repression. The former claim workers had no need for a "class consciousness," while the latter assert workers would have voluntarily embraced it had they been given the choice. Both camps use a highly idealized conception of "class"; neither of them ventures to study workers' actual consciousness and practice. Despite their polar differences in ideology, there is a consensus that Taiwanese workers did not make history; instead, their history was largely made by somebody else.

This book analyzes how Taiwan's workers in state-owned enterprises (SOEs) managed to change their subordination and dependence in the 1945–2012 period. It is primarily written as a rebuttal to the passive view depicted above. I will bring back into view the workers' own agency by highlighting their disguised, hidden, and forgotten forms of response over the long twentieth century. Secondly, I attempt to use Taiwan's experience to revise the dominant theory of working class formation. Most existing works study the relatively brief episodes of heightened labor militancy in Western countries and neglect the apparently nonconfrontational periods of labor quietude. Socialist discourse, labor unionism, industrial conflict, and left-wing political parties are often used as the criteria to measure the "formation of proletariat into a class." Such bias stems from a questionable assumption that workers' activism is the necessary result of their solidarity and gives rise to the unfortunate neglect of workers' more mundane

and pedestrian ways of coping with their subordination as well as their pursuit of nonclass interests.

Essentially this book aims to contextualize the theory (by understanding how Taiwanese workers make their own history and class) as well as to theorize the contextual (by formulating a more inclusive model of working class formation). I will discuss theoretical questions in the introductory chapter. Before presenting the story of Taiwan's working class formation, let me call attention to some particularities of Taiwan's postwar political economy.

The authoritarian rule by the Kuomintang [*Guomindang*] (Chinese Nationalist Party, the KMT) was exceptionally prolonged, stable, and antilabor. From 1949 to 1987, Taiwan was under the rule of martial law, which outlawed political opposition and strikes. Technically speaking, Taiwan remained a war zone "for mobilizing to suppress the communist rebellion" until the 1991 constitutional revision. By the historical moment of regime change in 1945, the Japanese colonial government had already successfully crushed the native home-rule movement and labor agitations of the 1930s, which rendered the Taiwanese too weak and powerless to challenge the KMT's neocolonial takeover. The postwar massacre and imprisonment of native elites and leaders after the February 28 Incident (of 1947) and the subsequent witch hunts during the White Terror era of the 1950s helped to secure the reign of an émigré regime. That the KMT had already developed a coherent fusion of ideology and practice to contain labor during its rivalry with the communists in the mainland era left a profound impact in Taiwan. Not only was the KMT unusually sensitive to labor unrest, but also it was able to fashion an effective strategy of labor control prior to the mass proletarianization in the 1960s.

The KMT's decision to nationalize Japanese economic assets in 1945 created a vast state sector overnight. Without a socialist revolution, Taiwanese industrial workers of the colonial conglomerates involuntarily became state workers. To consolidate its rule, the KMT launched a Leninist transformation by installing the party-state in every sphere of Taiwanese society in 1950. Therefore, in the immediate postwar era, a typical Taiwanese industrial worker was likely to work in a government-run enterprise and under the close scrutiny of party cadres. Ironically, the KMT's anticommunist crusade brought workers under state socialism supervised by the party-state apparatus, which bore an uncanny resemblance to its communist archrival.

The special combination of protracted authoritarianism, party-state, and state control over the economy might be exclusive to postwar

Taiwan; nevertheless, this uniqueness does not warrant an exceptionalist argument that denies the possibility of contextualizing theoretical arguments to a supposed anomaly. Similarly, the hostile environment did not necessarily deprive workers the inalienable capacity of human agency to act differently than demanded by structure and victimize them into accepting the prescribed subordinate role, as the conventional wisdom goes.

This book unearths the now-forgotten episodes of workers' armed struggles in the 1947 uprising and the later underground communist movement. Rather than being motivated by a revolutionary class consciousness, workers were attempting to challenge the ethnic domination imposed by an émigré regime. It wasn't until the mid-1950s when the KMT had virtually eliminated the clandestine insurgents that the workers finally accommodated to their inferior status.

The three decades between the mid-1950s and the mid-1980s witnessed rapid industrialization amid the seeming labor quiescence. The KMT was able to unilaterally impose party-state control and internal labor market upon state workers without seeking their consent. But this did not mean workers were malleable to the demands from above. Without a functioning public sphere, they had to proceed with their opposition in a disguised and subtle manner. They adopted a ritualistic strategy to keep politics at bay in the face of the party-state's effort to extract their loyalty. Instead of working hard to obtain job promotion, they used their social connections (*guanxi*), bribery, and flattery to please their superiors. With booming business opportunities, state workers moonlighted to gain extra economic resources. Ritualism, *guanxi*, and moonlighting were Taiwan's state workers' successive responses to their powerlessness. Workers managed to maintain their minimal autonomy with these petty acts of insubordination in difficult times. Nevertheless, this was not "class resistance," as that term should be more strictly defined as those collective actions that are based on class-wide solidarity and promote class interest. All these acts were practiced on the individual basis and fall into the category of what James C. Scott calls "everyday resistance." In order not to glorify these tiny and anonymous acts of resistance, it should be emphasized that the widespread use of *guanxi* resulted in mutual distrust among workers and perpetuated their inferiority vis-à-vis their supervisors.

The everyday resistance among Taiwan's state workers spread into more proactive and open forms of contention in the 1970s. As the KMT regime came to face the diplomatic crisis from without and political opposition from within, its grip on labor unions began to loosen.

Discontented workers used the union as a channel to file a series of interest demands and grievances. I call this practice *petty bargaining* because the union was then still under the sway of the party-state, and these demands focused on relatively trivial issues of wage and welfare. While petty bargaining was largely ineffectual, biased, and even frivolous, it eventually paved the way for the rise of the independent labor union movement in the late 1980s.

Although overshadowed by better-known cases in South Korea, Brazil, and South Africa, Taiwan's state workers launched their social-movement unionism as KMT authoritarianism began to crumble. Militant workers wrested control of their labor unions by aligning with the opposition parties and other social movements to defeat the KMT cadres. More than a decade after the lifting of martial law in 1987, independent labor unions were the main forces in demanding progressive labor reform and, thus, creating a movement that was solidly based on class-wide solidarity.

In Taiwan, as well as in other countries, social-movement unionism eventually faded out and was replaced by a more conservative style of labor contention. The threat of privatization and the coming to power of the political opposition pushed the state workers to become more inward looking by emphasizing the particular interests of SOE employees over class interest. Economic unionism, as Taiwan's state workers practice today, essentially forwent the erstwhile proclaimed goal of "socializing the labor movement."

In recounting the history of Taiwanese workers' struggle, I challenge the teleological conception of working class formation. Class does not progress from the objective in-itself to the subjective for-itself; neither is there a linear trajectory of class consciousness from moderate reformism to revolutionary radicalism. Whether in everyday or public forms of resistance, workers react to different sources of oppression, which cannot always be subsumed under the notion of class exploitation. There is no a priori reason why workers will eventually come to embrace their class identity over other identities. True, workers might engage in revolutionary insurgency or play the ambitious role of reform advocates; but their proactive involvement tends to be intermittent and is likely to recede when the circumstances becomes less favorable.

Most of the classical writings on working class formation focus on a particular group of workers (such as the San Francisco dockworkers, Lyon silk workers, or Manchester cotton spinners) and draw theoretical implications out of a detailed case analysis. My book follows this research tradition with a study of two groups of SOE workers

in Taiwan, sugar workers and petroleum workers. They both can be traced back to the period of colonial industrialization and underwent the process of ethnic domination, party-state infiltration, and internal labor market reform during the postwar era. Workers' reactions to their subordination followed the historical trajectory described above, except that sugar workers failed to sustain a persistent collective challenge when the authoritarian reign was removed, whereas petroleum workers launched the exemplary case of social-movement unionism in Taiwan.

I understand that a research topic such as Taiwan's state workers might be of limited attraction to labor researchers and area-study specialists. To extend the relevance of my monograph, I try to write it broadly and comparatively. I place my narrative on workers in the historical background of Taiwan's metamorphosis from agrarian authoritarianism to postindustrial democracy. Cold War anticommunism, international dependence on the United State, the change of economic structure, and political transition exerted tremendous impacts upon workers' daily life. Moreover, despite their ideological rivalry, the rule of the KMT and that of the Chinese Communists led to similar characteristics in the nationalized workplaces, such as party-state surveillance, *guanxi* culture, and moonlighting. Wherever possible, I will analyze the diverse institutional settings behind these seemingly similar phenomena.

Public-sector unionism is not an endearing topic, especially in the United States and to a lesser extent in Taiwan. Too often state workers are perceived not as genuine working class, but as privileged public servants who use their political clout to live on taxpayers' money. They are a vulnerable and easily available target for right-wing union bashing. To clarify and avoid misunderstanding, it should be noted that Taiwan's state workers are not merely sanitary workers, bus drivers, and schoolteachers, but also include a sizeable group of industrial workers in transportation, steel, shipbuilding, telecom, electricity, machinery, and so on (at least prior to the privatization of the late 1980s). As previously mentioned, the historical exigency of decolonization bequeathed a vast state sector upon postwar Taiwan, and the proximity of state workers to the regime gave them little wherewithal to escape ethnic domination and party-state mobilization. State workers are in no way representative or exemplary of Taiwan's working class as a whole; in terms of job security and remuneration, they might be called "labor aristocrats," but their economic privilege is purchased at the cost of political liberty. With the understanding of their particularities, a story of Taiwan's state workers nevertheless sheds light on

how class solidarity is fractured along different institutional cleavages and why genuine acts of class resistance are always rare and ephemeral—in short, the questions that students of working class formation seek to answer.

This book is structured in the following manner. The opening chapter develops a historical institutionalist framework of working class formation by focusing on the questions of workers' solidarity and their multifaceted forms of resistance. Chapter 2 is a historical introduction to Taiwan's industrial workers, paying special attention to the colonial legacy. Afterward, this book proceeds chronologically. Chapter 3 analyzes the chaotic transition from Japanese colonialism and how workers engaged in revolutionary resistance against the postwar ethnic domination from 1947 to the mid-1950s. Chapter 4 examines the effect of the Leninist transformation of the workplace, as well as workers' attempts to avoid politics in the 1950s. The perverse effect of internal labor market reform in the early 1960s is the subject of chapter 5, which looks at the widespread use of *guanxi* when good positions became more difficult to obtain. In the 1970s, with a booming private economy and the relaxation of authoritarian control, workers began to practice a two-pronged strategy, taking extra jobs to supplement their earnings, as well as using labor unions to advance their interests. Chapter 6 will evaluate the results of these new repertoires of workers' reactions. Chapter 7 analyzes the rise of labor protests following Taiwan's democratic breakthrough and, later on, how workers' social-movement unionism was gradually replaced by economic unionism. The final chapter concludes the findings in the light of literature on working class formation.

Acknowledgments

I came to know Taiwan's petrochemical workers from a stint as a campaign staff member in Kaohsiung [*Gaoxiong*] for the union election at the end of 1999, which was arranged by Taiwan's Labor Front, the most important labor movement organization in the postmartial era. At that time I had finished my doctoral dissertation draft on Taiwanese environmentalism and was waiting for my advisor, Michael Hsiao, to give me a green light for oral defense. For nearly a month, I was deeply immersed in the working class milieu—quite a cultural shock to me. I had the privilege to observe the day-to-day working of the Taiwan Petroleum Workers' Union (TPWU) Local One, then purported to be "the locomotive of Taiwan's labor movement," as well as the honor to be able to contribute to the electoral success of independent unionists, as they secured a knockout victory over the Kuomintang party-state candidates by winning all 36 seats in January 2000. The TPWU then had more than 15,000 members and was considered a strategic battleground for the upcoming presidential election, in which the disunited KMT was facing a likely scenario of losing national power for the first time since 1945. Three months later, the opposition won the presidential election, thus concluding Taiwan's long and checkered march from one-party authoritarianism to democracy. Somehow I knew I had witnessed the great historical change from a particular niche. The waning of authoritarian control enabled Taiwan's workers to launch a wave of independent unionism, which changed their hitherto powerlessness vis-à-vis managers and party-state cadres. Democracy was not only about political parties and election, but also took place in the workplace. And it was largely due to the little-noticed efforts by the ordinary people that Taiwan could bid farewell to the one-party domination.

Around 2003, I began to research the petroleum workers. I saw a different TPWU Local One from my field study as its leaders were accused of corruption amid severe factional infightings and widespread rank-and-file disillusionment. Soon the KMT made its comeback by reasserting its control over the labor union. At that time, Taiwan's

euphoria for the peaceful power transfer was long gone. The DPP government failed to realize its reform promises, and the public exposures of its venality damaged its claim to be a cleaner alternative to the KMT. The DPP struggled to retain its national power in a close presidential election in 2004, but four years later it was voted out of office amid pervasive voter dissatisfaction. It then dawned on me that the TPWU was a microcosm of Taiwan's democracy, and there was the same plot of a great aspiration emerging out of repression, becoming a blazing vision, and finally being dashed to the ground ignominiously.

The idea to weave these stories into a book-length monograph came to me when a Fulbright scholarship allowed me to attend the late Chuck Tilly's workshop on contentious politics at Columbia University in 2005. He was a superb master of the art of asking fearlessly big questions, which challenged me to take on this endeavor. I was further encouraged by Michael Burawoy during his visit to Taiwan in 2009. I felt something near to pride when I took a photo of him with a radial drill at the machinery workshop of Kaohsiung Refinery since he used to labor as a radial drill operator in Chicago before publishing *Manufacturing Consent* in 1979. On our train trip from Kaohsiung to Taipei, he persuaded me to launch my long-delayed book-writing project. "It takes no more than six months to finish the manuscript," he claimed. Indeed, Michael was right. I spent roughly half a year working out the first draft.

In various stages, Michael Burawoy, Chang Ku-ming, Chang Mau-kuei, Cheng Li-hsuan, Chiu Yubin, Hsiau A-Chin, Ka Chih-ming, Lin Chuan-kai, Lin Thung-hong, Liu Shi-yung, Julia Strauss, Su Yang, Tang Chih-chieh, Patricia Thornton, Charles Tilly, Steve Tsang, Tu Cheng-sheng, Wang Tay-Sheng, Michelle Williams, Wu Nai-teh, and Wu Chia-Ling offered me valuable comments and suggestions. It has been more than a decade since I began the research on Taiwan's workers. I was benefited by the wonderful assistance of Chen Chung-yen, Chen Li-ju, Chen P'ei-hong, Nicholas Coulson, Ho Ying-chieh, Huang Chun-hao, Huang Mei Lan, Huang Yu-hsuan, Hung Wan-ling, Tsa Pi-chüan, and Wang Ch'ung-ying. I thank all my interviewed petroleum refinery and sugar refinery workers who were so generous to share their life stories with me. In particular, I appreciate the help from Linda Gail Arrigo, Chung Kung-Chao [Zhong Kongzhao], Hsieh San-ho, Huang Chia-I, Huang Li-ting, Tseng Wen Sheng, and Wang Tzu-hsing in my field study. Research grants from Taiwan's National Science Council have made possible this research (91-2412-H-343-005, 94-2412-H-343-003, 97-2410-H-110-052-MY3, 100-2410-H-002-129-MY2).

NTU students in the seminar on working class formation in the fall semester of 2012 were among the first to read my draft, and their comments and feedbacks are greatly appreciated.

In a way, this book reflects the itinerary of my academic career. From 2001 to 2008, I worked for Nanhua University, whose location in Taiwan's southwestern agricultural heartland gave me easy access to sugar refinery workers. From 2008 to 2009, I worked for National Sun Yat-sen University in Kaohsiung, which allowed me to keep in regular contact with petroleum workers. My tenure with National Taiwan University in Taipei since 2009 made it easier for me to consult a number of official archives. My colleagues in three institutions are intellectually stimulating in their distinctive styles, and it is my good fortune to be able to work with them.

Finally I am grateful for my family's support. My father, Ho Tung-hui, passed away in July 2013, when I was negotiating for the publication. I regret that I cannot show him this book as my gratitude to his lifelong kindness. I appreciate Shuling's companionship and understanding that allowed me to concentrate on this project. She gave me the most precious treasure—our baby daughter, Little Plum. With this book, I am hoping Little Plum grows up to see a world in which social solidarity can enhance human dignity.

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A Note on Romanization

I employ the Pinyin system of romanization in this book, as it is more commonly used in English writing, with the understanding that the Taiwanese tend to use other systems, chiefly Wade-Giles. However, I use the conventional spelling when it comes to proper nouns, such as *Kaohsiung [Gaoxiong]* and *Kuomintang [Guomindang]*, with the Pinyin placed in brackets at the first appearance. In referring to Taiwanese writers, I use their self-chosen spellings whenever possible; otherwise, I apply the Pinyin system. Japanese words follow the Hepburn system of spelling and are indicated with *[J]*.

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Abbreviations

CCP	Chinese Communist Party
CFL	Chinese Federation of Labor
CLA	Council of Labor Affairs
CPC	China Petroleum Corporation
CPDC	China Petrochemical Development Corporation
DPP	Democratic Progressive Party
FIUTSC	Federation of Industrial Unions of Taiwan Sugar Corporation
FPG	Formosa Plastics Group
KMT	Kuomintang (the Chinese Nationalists)
NRC	National Resources Commission
NTD	New Taiwan Dollars
SOE	State-Owned Enterprise
TCTU	Taiwan Confederation of Trade Unions
TD	Taiwan Dollars
TLF	Taiwan Labor Front
TLLSA	Taiwan Labor Legal Support Association
TPWU	Taiwan Petroleum Workers' Union
TSC	Taiwan Sugar Corporation

Chapter 1

A Historical Institutionalist Approach to Working Class Formation

In the 1848 *Manifesto of the Communist Party*, Karl Marx and Friedrich Engels boldly depicted a prophetic vision of the formation of "the proletariat into a class." Capitalism expands the ranks of the working class, and the application of modern technology increases their homogeneity, as the preexisting distinctions in ethnicity, age, gender, and skill become obsolete. A number of facilitating factors, such as new forms of communication, the advent of bourgeois democracy, and the rise of critical intellectuals, enhance political awareness among the working class. Therefore working class collective action shows a progressive evolution from backward-looking machine breaking to defensive unionism and finally crystallizes as a revolutionary movement raising the banner of socialism (Marx 1973, 73–80).

At its core, the question of working class formation boils down to a search for the link between the structural process of proletarianization, that being the increase in the "number of people who lack control over the means of production and who survive by selling their labor power" (Tilly 1981, 179), and the ensuing political response by workers. Marx is absolutely right in calling attention to this pivotal issue of modernity, but he obviously errs in his overtly optimistic forecast. In spite of Marx's "brilliantly wrong" prediction—to use Michael Burawoy's expression (2009, 13)—the question of degree and manner in which workers organize themselves into a collective agency remains a central issue in exploring the dynamics of contemporary capitalism.

By viewing working class formation as a workers' response to their dependency on wage labor, I depart from the more conventional perspective, which is exemplified by Wright (2005, 21): "The collectivities people form in order to facilitate the pursuit of class interests. These range from highly self-conscious organizations for the advance of interests such as unions, political parties, and employers associations, to much looser forms of collectivity such as social networks and communities."

I revise two points in the above definition. (1) There is no a priori reason why workers will embrace their class interest over other interests. For that to happen, class-wide solidarity must be a precondition. However, as the experience in Taiwan and other places will show, intraclass conflict among workers can sometimes engender heightened contention, and there is little reason to exclude workers' pursuits of nonclass interests. I call this issue the *question of solidarity*. (2) Even though Wright recognizes some "looser forms of collectivity," students of working class formation have paid disproportionate attention to the historical interludes of high class antagonism fueled by strong labor movements, to the neglect of the more tranquil periods when workers engage in less dramatic and more routine action, which produces no less far-reaching impacts. Polarized interclass conflicts are usually rare and episodic. Thus it is imperative to broaden our understanding of the variety of workers' responses, especially how they cope with their subordination in more mundane and less obvious fashions. This is the *question of nonobvious resistance*.

A revised theory of working class formation must be capable of explaining workers' pursuits of nonclass interests in less conspicuous forms of resistance. This introductory chapter argues that historical institutionalism provides more reliable theoretical guidance in exploring the internal divisions among workers and their multifaceted responses. I will develop these arguments via a theoretical critique of the now dominant culturalist approach.

The Culturalist Approach

E. P. Thompson's influential work, *The Making of the English Working Class* (1963), was the pathfinder for the culturalist approach to working class formation. Thompson rejects the economic determinism that reduces socialistic movements to an automatic outcome of the factory system. The material conditions exist only as a potentiality, and without workers' own interpretation, learning, and appropriation—an

active and transformative process that Thompson subsumes under the notion of “experience”—workers cannot become a self-conscious social force. By powerfully demonstrating how English workers wove different cultural threads of political liberalism, philosophical currents, religious practice, economic doctrines, and community life into a strong praxis to challenge capitalism, Thompson brings workers as well as all their cultural inheritances back into the picture. In his polemic against structural Marxism that reduces worker consciousness into ideology, he argues that values are “lived, and they arise within the same nexus of material life and material relations.” Therefore, the worker’s own conception is bound to “disclose itself within history, and within class struggle” (Thompson 1978, 176). I characterize Thompson’s approach as “culturalist” not only because of his rich description of a variety of cultural resources that contemporary British workers were exposed to, but also since his analysis implicitly assumes that “culturally embedded individuals follow social rules that are constitutive of their individual and group identities” (Lichbach 1997, 247).

A generation of researchers (Berlin 1987; Brody 1985) have followed the call to rescue worker contentions from “the enormous condescension of posterity” (Thompson 1963, 12) and discovered many cultural factors that are conducive to working class formation. Preindustrial legacies, rather than being seen as a residual drag that hindered the development of class consciousness, were found to be an integral part of historical labor movements. The organization, work ethics, and rituals of craftspeople provided the necessary cultural idioms for industrial workers to make sense of the new economic structure (Bonnell 1983; Calhoun 1982; Hanagan 1980; Scott 1974; Sewell 1980; Truant 1994). The rich sociability as well as the dense neighborhood organizations embedded in worker communities formed the bedrock of class solidarity (Aminzade 1984; Carsten 1986; Cohen 1990; Conell 1988; Dawley 1976; Dublin 1979; Gutman 1966; Hanagan 1989; Kingsdale 1973; Oestreicher 1986; Voss 1988). Workers’ nonsocialistic ideologies, such as republicanism, producerism, and nationalism, were no longer an unfortunate deviation, but a robust ideational vehicle to sustain their militancy (Aminzade 1993; Hattam 1993; Koo 2001; Laurie 1997; Montgomery 1993). Rather than a chiliastic and desperate attempt by labor aristocrats, skilled workers’ resistance against scientific management was presented as a class struggle to retain their autonomy in the workplace (Montgomery 1979, 1987; Nelson 1995; Noble 1977).

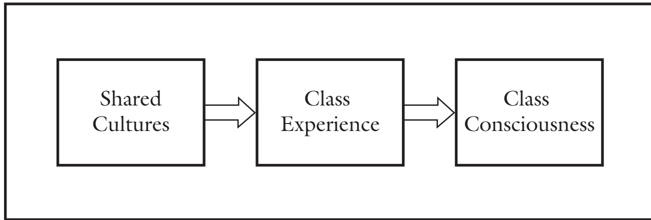

Figure 1.1 The Thompsonian model of working class formation.

The above figure summarizes the Thompsonian perspective of working class formation. Here "class experience" plays a critical role for it is "embedded" and "intermediating" at the same time (Steinberg 1999, 4). Workers reassembled and reinterpreted those immediately available cultural resources and wove them into a coherent movement unified by class consciousness.

Thompsonian culturalism rescued the subjective dimensions of working class formation, yet it also paved the way for the radical constructionism that denied the existence of material bases of class by conceptualizing class as merely an instance of "linguistic articulation" (Steman Jones 1983), "narrative" (Somers 1997), and "discourse" (Joyce 1991). Previously, cultural factors were unjustifiably treated as an epiphenomenon, but now, an opposite error consisted in seeing culture as omnipresent and endowed with an independent causal power to make class happen. As Marc W. Steinberg (1991) points out, radical constructionists relied on a questionable notion of "discourse without agency" and tacitly eliminated the mediating role of "class experience." In other words, they simplified the Figure 1 model by doing away with the intervening variable, thus committing a fallacy that Charles Tilly (2002, 33–34) called "phenomenological individualism," which reduced class identity to an individual's internal disposition without situating it in the broader social context. As the following section will show, without a theory of solidarity embedded in social relations, Thompson and his constructionist followers cannot properly explain the variety of workers' responses to capitalism.

The Thompsonian approach is most useful for sensitizing us to the formative role of preindustrial artisans and cultures that are conducive to the subsequent labor protest. Yet, in applying this perspective to non-Western countries such as Taiwan, one is bound to encounter a number of difficulties. First, Dipesh Chakrabarty (1989) cogently argues the English working class was able to make itself precisely

because they were already exceptionally endowed with “bourgeois liberalism.” Without this cultural heritage, it would have been extremely difficult to expect workers to resist in a class-conscious way. What counted as “shared cultures” in the Thompsonian scheme was far from neutral or universal, but implicitly assumed the existence of the individualistic notion of property and rights. Secondly, industrialization in the third world did not proceed in a spontaneous fashion. Speaking of the late industrialization, Alexander Gerschenkron (1962) stressed a state-sponsored “big push” was often necessary to conquer the traditional inertia in mobilizing national resources toward the developmental goal. Thus, there was often no relation between traditional craft production and the newly industrialized manufacturing, and the latter began as an enclave without the participation of preindustrial artisans. This has been the case in Korea (Koo 2001, 11) and Japan (Dore 1973, 415–16), and it was also true for Taiwan’s incipient industrialization during the colonial era (1895–1945). Thus, to explain labor militancy in the non-Western context, one would have to look at other sources than the Thompsonian model suggested.

Addressing the Questions of Solidarity and Nonobvious Resistance

The culturalist approach is inadequate in addressing the two pivotal questions raised above. Briefly, students of working class formation should not restrict their attention to how class-wide solidarity (class-in-itself) gives rise to the labor movement (class-for-itself) without looking at how workers’ internal divide generates other forms of contention, which might be less conspicuous to outside observers. Culturalists emphasize the formative power of a meaningful universe that constitutes actors and their action. However, a given cultural universe is necessarily bounded and comes with a clear distinction between insiders and outsiders. When a culture unifies a certain group of workers, it also keeps other workers away. Moreover, by looking only at written or spoken discourse as the manifestation of class culture, the culturalist approach also runs the risk of overlooking those acts of workers’ resistance that could not be or had not been verbalized.

Taking the question of solidarity seriously means that we should not look at the interclass conflicts at the neglect of intraclass ones. A working class may coalesce into collective action not because of their unity, but because of their internal divisions. Workers’ activism is not

synonymous with class solidarity since it is possible for workers to be engaged in activism based upon nonclass identities. A terminological explanation is needed here. "Workers' resistance" refers to those self-conscious behaviors by workers to change their dependence. It might include those behaviors based on class consciousness that contest class repression, but it is not necessarily so. Whenever possible, I avoid using ambiguous terms such as "worker resistance" or "class resistance," as the adjectival use of "worker" and "class" does not allow one to easily distinguish the agency and the goal of the resistance. Speaking of East Asian workers, Perry (1996, 3) contends a number of factors, such as "educational aspirations, family pressures, gender roles, state directives," and so on, "have proven every bit as decisive as class consciousness in shaping the behavior." It is therefore illegitimate to exclude workers' pursuits of these goals from the consideration of working class formation.

Adam Przeworski (1985, 94–95; 1995, 177) rightly claims that individual workers have virtually unlimited options from which to choose their own identity and socialist parties are the only actor capable of organizing workers around a class identity. But it does not follow that students of working class formation should only examine the labor movements organized around a class identity and led by a socialist party, as such phenomena were largely restricted to the European context. Elizabeth J. Perry (1994, 143–44) argues that intraclass divisions should not be taken only as a negative factor that impedes "the 'true' mission of proletariat." Division along lines of age, gender, ethnicity, and skill can animate collective action among workers, bringing about historical transformations. In other words, instead of being seen as the unfortunate impurities that dilute and distort the emergence of class consciousness, how nonclass identities affect workers' collective action should be analyzed.

The patterning of workers' solidarity remains to be explored. As Burawoy (1991) puts it, class antagonism between workers and their employers cannot be assumed as necessary and universal, but a contingent outcome of what he calls the "regime of production." A strong labor movement based on class consciousness is possible only insofar that workers' mutual solidarity is embedded in the existing social relations, as demonstrated by Roger V. Gould (1995), showing how the neighborhood ties strengthened the 1871 working class Communards in their armed uprising. How workers are organized might also affect their political attitudes. In his study on the National Workshop and the Mobile Guards in the French revolution of 1848, Mark Traugott (1985) explained how different associational patterns

diverted the same Parisian proletariat into insurgent and counterinsurgent activities.

Secondly, the question of nonobvious resistance means that we should move beyond the bias that privileges the well-organized and ideologically articulated labor movement as the only expression of a "successful" working class formation. Sociologists of labor have long discovered a variety of workplace practices by which workers collectively restricted their output in order to survive the capitalistic extraction (Roy 1952). These work-avoidance strategies could be disguised by workers' own "impression management" (Molstad 1988). Burawoy (1979) argues the advent of monopolistic capitalism necessitates a shift from pure defensiveness to an engaged attitude in how workers adapt to their workplace. Workers actively respond to and manipulate the work rule in order to maximize their income in what Burawoy calls "the making-out game."[1] These studies move beyond the unproductive distinction between workers' economistic and political struggles by directing our attention to their contextualized everyday acts of insubordination. Here Scott's (1990) exploration of "hidden transcript"—what the dominated groups actually do to minimize their losses when unsupervised by their dominators—is particularly useful in sensitizing scholars to how workers attempt to manage their own dependency on a day-to-day basis.

It follows that the absence of observable collective action by workers should not be viewed as workers' consent to the existing system. Workers struggle to become a potent social force, but the process can only be intelligible to us if we begin with a careful observation of their everyday life. As Piven and Fox (1978, 20) put it, workers "experience the factory, the speeding rhythm of the assembly line, the foreman, the spies and the guards, the owner and paycheck. They don't experience monopoly capitalism." If there is going to be a class-conscious workers' revolt against monopoly capitalism, it must begin with a ground-level contestation with these mundane institutions that regulate workers' daily life. By enlarging our understanding of workers' resistance, especially through the incorporation of unorganized and hidden varieties, we stand a better chance of grasping the nuances of working class formation. Under extreme domination, such as in Maoist China, "collective inaction" in the form of mass noncompliance and apathy toward state ideology (Zhou 1993, 66) can produce significant results. In East European state socialism, workers' minuscule acts of foot-dragging, such as their proverbial pretension to work because "the government pretends to pay them,"

eventually chipped away at the economic foundations of the communist regime (Kopstein 1996).

To better understand the dialectic of workers' solidarity and resistance, I turn to historical institutionalism.

A Historical Institutionalist Approach

What Is an Institution?

In recent years, historical institutionalism has become a common denominator among comparative-politics students, political economists, and historical sociologists, who share a research interest in "the whole state and societal institutions that shape how political actors define their interests and that structure their relations of power to other groups" (Thelen and Steinmo 1992, 2). An institution is basically a set of rules known and shared by a certain population (Knight 1992, 2–3). Institutions matter because they determine "who is eligible to make decisions in some arenas" and "what actions are allowed or constrained" (Ostrom 1990, 51). In the case of working class formation, an institution can be formal, decreed, and sanctioned, such as the party-state and personnel regulations, as well as informal, widespread, and tolerated by authority, such as the ethnic divide. Although these institutions may come in different degrees of crystallization and legitimacy, they all play a critical role in shaping workers solidarity and resistance.

There are several misunderstandings about historical institutionalism. First, it is widely considered overtly statist in orientation at the expense of nonstate institutions. This accusation might be true for its earlier proponents who were battling against the neglect of the state in the pluralist and Marxian paradigms, but the more recent formulation has corrected this bias by disaggregating the state and taking a closer look at the state-society engagement and their mutual transformation (Clements and Cook 1999; Migdal 2001). Secondly, rational choice theorists complain that historical institutionalists often adopt a deterministic conception by not seeing institution as a collection of choices for actors. In response, historical institutionalists have paid more attention to the reciprocity between institution and action (Thelen 1999). An institution, in other words, can be weakly enforced or widely disobeyed, but nonetheless, a failed institution still deserves our attention as long as it affects a certain number of people.

Applying historical institutionalism to the study of working class formation means that we should be more attentive to the multiple

rules, both mutually conflicting and mutually reinforcing, present in workers' daily life. Workers do not suffer from class exploitation only, but they often have to endure discrimination against their ethnic, gender, and partisan identities. And the insistence that the latter are "less real" or "less important" as compared with class oppression is not entirely convincing. As Jeffrey Haydu (1998, 70) contends, "institutional settings" are important in "shaping worker solidarities." In this sense, institutions are akin to what Ira Katznelson (1986, 16) identifies as the second level of class, or "the social organization of society lived by actual people in real social formations." Katznelson subsumes work setting, labor market, and residential community under what he calls "patterns of life."[2] I adopt a more broadly based notion of institution. Any set of rules that result in "distributional consequences" (Knight 1992, 26) among workers should be of interest for students of working class formation.

An institutionalist analysis calls attention to the fact that how workers perceive themselves as a group and the degree of their group cohesion is contingent upon their social settings. The classical Marxian scenario of class formation is premised upon an institutional precondition that neutralizes the divisive impact of ethnicity, skill, and other social differences upon class solidarity—which in hindsight turns out to be a highly idealized and rare case. More often, proletarianization does not proceed in a social vacuum, but under "the given and inherited circumstances with which they [workers] are directly confronted," to use Marx's famous characterization (Marx 1974, 146). Class is embedded in other institutions, and hence workers' solidarity is divided along different fault lines.

Defining institutions as the distributive rules that pattern the intraclass and interclass relations of a working class entails the recognition that there are a plethora of factors that can potentially fall into this category. There is a danger of diluting the analytical attention to those superficial and formalistic rules at the neglect of more fundamental mechanisms. Old institutionalism is rightfully criticized precisely because of its narrow focus on formalistic and legal rules. There are no a priori criteria to determine the relevance of a particular institution for working class formation, as this question has to be decided on a case-by-case basis. Nevertheless, it is still possible to distinguish those social rules that produce deep and everlasting cleavages among working class members from those that do not. In the subsequent study, I will focus on ethnicity, the party-state, and internal labor market and labor unions as the institutions that structure Taiwan's SOE workers' solidarity because they generate visible impacts on workers' identity,

whereas other factors, such as religion and skill, are not so significant in their results.

How Do Institutions Change?

Historical institutionalism also helps us to understand the continuous restructuring of distributional rules that affect workers. Institutional change takes place either exogenously or endogenously. The crisis at the so-called critical juncture, when the existing rule is no longer valid and many competing options are available, usually generates exogenous change because the subsequent outcome is not predictable from the status quo ante (Mahoney 2000, 514). For example, Collier and Collier (1991) demonstrate that the diverse patterns in the initial incorporation of the Latin American labor movement in the tumultuous 1930s left an enduring legacy on labor-state relations in the years to come. Exogenous change also happens when a regime completely defeats its challengers and dominates what Scott (1998, 89) calls "a prostrate civil society," which is unable to resist the reengineering attempt from above. As the following chapters will show, the high authoritarianism of the KMT allowed them to unilaterally impose ethnic domination, party-state infiltration and internal labor market reform upon Taiwan's state workers, even though the result might have somewhat deviated from the original intention.

Endogenous change is less dramatic and eruptive. Beneath the seeming persistence and stability, incremental alternations of exiting rules might take place. Many institutional rules are ambiguous and full of loopholes, and mass compliance is conditional and provisional (Mahoney and Thelen 2010). When the cost of collective action for the change agents becomes lower due to more favorable circumstances, an institutional rule is likely to be modified from within. As we shall see, the softening of the KMT's repressive rule in the 1970s gave rise to a wave of bottom-up "conversing" labor unions, from the party-state's front organization to a workers' grievance center.

The following figure summarizes how historical institutionalism analyzes the question of working class formation. This theoretical perspective is helpful mainly in two aspects. First, it provides a better understanding of how workers' solidarity is patterned under different circumstances. Secondly, it can specify the source and the process of institutional change that can have a bearing upon workers as well as their responses.

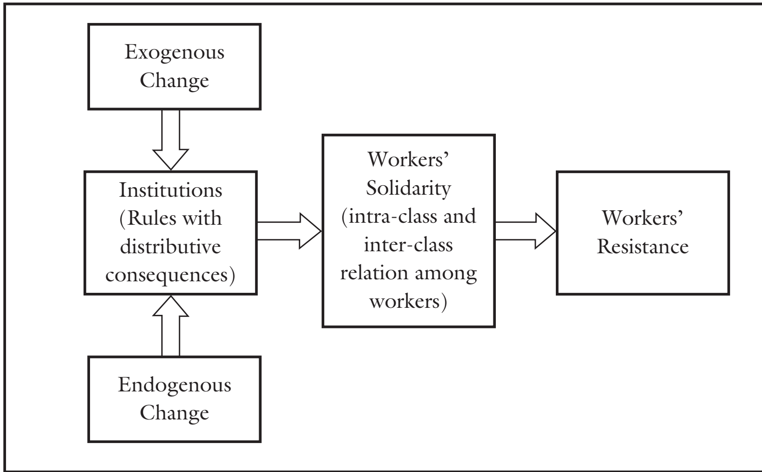

Figure 1.2 The historical institutionalist model of working class formation.

Mapping Workers' Resistance

Historical institutionalism highlights the diverse organizational circumstances in which workers are transformed into wage earners, and shows therefore that worker reactions necessarily come in all shapes and sizes. Following this perspective, recent labor studies have unearthed a rich repertoire of workers' reactions to capitalist authority (Clawson and Fantasia 1983; Lucio and Stewart 1997; Peck 1982; Thompson and Ackroyd 1995; Vallas 1987, 1991). Nevertheless, an opposite error arises with the indiscriminate and inflationary use of the term "resistance" to cover all kinds of worker responses. For example, Pun Ngai (2005, 73) sees the trauma and pain among female Chinese factory workers as "fundamental, bodily resistance to the alienating and punishing industrial labor performed by the women in the workplace." Similarly, Aihwa Ong (1987, 204–13) identifies the "mass hysteria" and ghost rumors in the Malaysian Free Trade Zone as "spirits of resistance."

Given that the preexisting rules structure social relations both within and externally to a specific social class, it follows that only certain forms of workers' resistance are possible at any given moment. Resistance is akin to what Tilly (1995, 26) calls "repertoire," which is "a limited set of routines that are learned, shared and acted out through a relatively deliberate process of choice." As Piven and Fox

(1978, xiv–xv; 20–21) stress, "an examination of the institutional conditions which both create and limit the opportunities for mass struggle" is critical because "it is [the] daily experience of people that shapes their grievances." Speaking of the work-unit system in Chinese socialism, Perry and Li (1997, 194) argue that, "the *danwei* institution induced not only dependency, but also defiance."

Understanding the necessarily multifaceted nature of workers' responses, it is helpful if we can disaggregate worker behaviors by their properties. First, we must acknowledge that there are situations when workers do not develop a sense of injustice and take conscious efforts to revise their underprivileged conditions. Voluntary subordination to a given regime, although it might give rise to workers' "trauma and bodily pain" or "mass hysteria" as described in some works, is simply not resistance. Secondly, joking, pilferage, sex, and other conduct that is not tolerated, which fall under the umbrella concept of "organizational misbehaviors" (Ackryod and Thompson 1999), are usually not resistance because there is a lack of workers' intention to change the unfavorable circumstances or prevent them from getting worse. There are many psychological motives for these behaviors, such as "striving for dignity at work" (Karlsson 2012, 16), but rarely are workers' material interests involved.

Therefore, when workers recognize their disadvantaged situation and respond with more than passive accommodation, they engage in acts of resistance. Resistance is a matter of degree and comes in highly diversified shapes. To chart its vast realm, I use the following four dichotomies.

(1) Defensive/Offensive

The first distinction concerning workers' resistance is whether they act to prevent further losses (defensive) or to increase what they already possess (offensive). While most researchers focus on the offensive variants of resistance, it is a grave mistake if we neglect the defensive varieties. Under certain highly exploitative and repressive circumstances, workers' proactive action is simply not a viable option. As convincingly demonstrated by Eugene Genovese (1972, 598), acts of stealing, lying, dissembling, shirking, and other activities of "day-to-day resistance" by slaves were vital because they "not only set limits to their surrender of self but actually constituted an implicit rejection of slavery." Therefore, workers' attempts to protect what they already have are not synonymous with an absence of response.

Defensive resistance is best understood by Eric Hobsbawm's (1998, 157) characterization of shrewd behavior by the peasants capable of "working the system to its advantage—or rather to its minimum disadvantage." In other words, the system is so repressive that a minor deviation from the proclaimed rule can be fatal. Hence, defensive resistance is a survival strategy when facing the insatiable predation of a highly repressive system. Analyzing Chinese workers in the Maoist era, Andrew G. Walder (1983, 67) identifies the so-called defensive strategies in which workers put on a faked façade of compliance in order to keep "the political system at arm's length."

(2) Hidden/Public

In observing English working class children in school, Paul Willis (1977, 23) comments, opposition is "frequently marked by a withdrawal into the informal." The informal becomes a safe haven for workers precisely because it is beyond the supervision of authority. Scott (1990, 4) offers a powerful theory of *hidden transcript* and *public transcript*. The former is what the subordinates actually do without the "direct observation by powerholders," whereas the latter is the prescribed routine that subordinates are obliged to follow. Evidently, the more formidable the domination is, the greater the gap between the two transcripts, and the more the dominated need to camouflage their activities. The absence of public-sphere organizations, such as labor unions, political parties, and so on, necessitates that dissent is disguised and only perceivable to discerning eyes. I call workers' resistance "hidden" when it is not known and tolerated by their superiors and "public" when it is. Hidden resistance is also equivalent to what Scott classifies as "everyday forms of resistance."

(3) Getting/Becoming

Since Vladimir Lenin (1957, 18), it has been conventional to dichotomize workers' collective actions either as "economic" or "political." Basically, the former refers to the struggle for more material benefits within the existing system, whereas the latter encompasses attempts to challenge political authority. This formulation, however, remains unsatisfactory because it is always difficult to draw a clear boundary between economics and politics. Quantitative changes lead to qualitative changes. Workers' aggressive bargaining for economic resources may result in significant alterations of power relations.

Instead, I use Bowles and Gintis's (1986, 10–11) distinction between politics-of-getting and politics-of-becoming. Politics-of-getting is primarily a struggle over the distribution of goods and services—the bread-and-butter issues for business unionism. Politics-of-becoming, on the other hand, has a broader conception of power that includes "the creation and transformation of community and the establishment of individual and collective identities."[3] Accordingly I identify workers' resistance as "getting" when it is exclusively oriented to economic gains and "becoming" when it demands a transformation of the existing rules.

(4) Competitive/Collaborative

Scott (1990, 130) maintains that acting out hidden transcript needs strong cooperation among the subordinates because, without a protective barrier, they are vulnerable to the sanction of elites. However, workers' resistance, as it actually takes place, is not always contingent on class solidarity. As Perry (1993) shows, the rivalry between workers of different native places, skills, and partisanship fueled the labor activism in Shanghai both before and after the communist revolution. The competition among different factions of workers encouraged, rather than dampened, labor militancy. Haydu (1988) points out two historical streams of craft workers' activism. Either they mounted a restrictive attempt to protect their privileged status vis-à-vis unskilled workers, or they engaged in an aggressive coalition with the latter for workers' control of production. The former is predicated on sectional solidarity among craft workers only, while the latter utilizes class-based solidarity. Hence, workers' resistance can be called "collaborative" when it requires class-wide unity; otherwise, it will be "competitive."

Utilizing the defensive/offensive, hidden/public, getting/becoming, and competitive/collaborative distinctions, we can better chart the vast realm of workers' resistance. With more refined analytical tools, we stand a better chance of understanding the rich variety of workers' resistance. After all, Marx (1973, 68) characterized class struggle as "an uninterrupted, now hidden, now open fight" in his famous manifesto. While most students of working class formation look at the episodes of "open fight" only, it remains a task for us to bring back the "hidden" class struggle in order to complete the picture.

Open or hidden, how workers react to their wage dependence has a bearing upon their solidarity. In order to put the variety of workers' resistance back into the model of class formation, the following figure shows the feedback mechanisms.

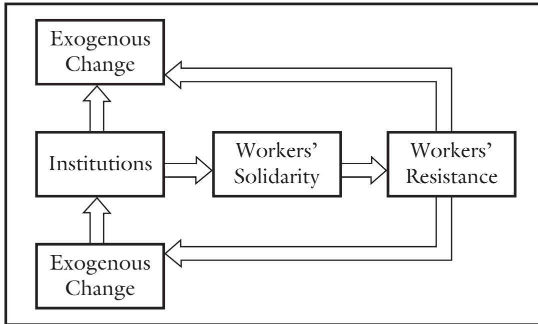

Figure 1.3 Workers' resistance and class formation.

There are two routes through which workers' resistance generates impacts upon the institutional rules that regulate their daily life. When they are able to launch a strong movement, they are more likely to produce exogenous change. As chapter 7 will show, Taiwan's independent labor unionism in the 1990s was able to promote progressive labor reforms that were ultimately beneficial for workers. On the other hand, workers' everyday resistance usually results in the less dramatic and less sudden endogenous change. Under this condition, workers are prevented from voicing their demands publicly, so they have to exploit the available loopholes or soft spots in the existing institutions, thus limiting the impact of their defiance. Moreover, given the multiplicity of resistance, its effect on workers' solidarity is indeterminate. Since it is possible for workers to pursue their nonclass interests in the contentious way, the result is not always strengthened class solidarity. In some extreme situations, such as when the *guanxi* strategy is used, workers' become mutually distrustful.

Chapter 2

Researching Taiwan's Industrial Workers

This chapter will introduce Taiwan's industrialization and proletarianization as historical backdrops to contextualize the theoretical inquiry raised in the preceding chapter. Then I review the preexisting literature in order to frame my research questions more explicitly. The final sections will describe the colonial history of sugar workers and petroleum workers.

Industrialization in Taiwan

Taiwan's industrialization dates back to the Japanese colonial era (1895–1945). In the initial years, the colonial administration was beset with the problem of fiscal deficit, and hence, a plan was drawn to conduct land survey, modernize land property, and build infrastructure in order to make the island profitable. Japanese conglomerates were encouraged to invest in the island's food-processing industries, especially sugar refining. In the 1930s, with the rise of militarism, the Japanese promoted war-related industries, such as petroleum, cement, and metals. As noted by Cumings (1987, 55), Japanese colonialism was exceptional in that it "located modern heavy industry in its colonies." In the 1930s, employment in modern factories had already outstripped that of traditional handicrafts (Ho 1978, 79). Prior to the Sino-Japanese War in 1937, Taiwan's "per capita foreign trade was close to the highest in the Far East" (Gage 1950, 214). By the end of the war, although agriculture remained Taiwan's most important sector, industrialization had showed significant progress in that the

secondary sector's share of GDP was estimated to be 25.8 percent (Chen 2001, 23).

After the first few years of chaotic transition, Taiwan's industrialization resumed the previous state-led pattern as the KMT controlled the commanding heights of the economy by nationalizing the colonial economic assets, controlling the distribution of US aid, and bringing a corps of skilled technocrats from mainland China. As convincingly argued by Wu (2005), the key factor in explaining Taiwan's economic success was how the KMT state managed to survive in an unfamiliar and hostile island. The KMT's political dominance over Taiwan did not necessarily result in coherent and successful policy making, as factionalism, strongmen interference, and the need to accommodate the excluded natives often emerged. Nevertheless, Taiwan underwent the successive phases of import substitution (1950–59), export orientation (1960–73), and industrial upgrading (1973–84) to become one of the successful newly industrialized countries (Gold 1986). By then, researchers had widely noticed Taiwan's robust economic performance and used it as a case to refute the pessimistic prediction of the dependency school (Amsden 1979, 1985; Barret and Whyte 1982; Haggard 1990; Wade 1990). Starting in the mid-1980s, rising labor costs and growth of private business necessitated a major revision of the state-led pattern. Liberalization and privatization reduced the state's role in the economy, and the relocation of manufacturing facilities to Southeast Asia and China sped up Taiwan's postindustrialization, as the tertiary sector's share in terms of GDP and employment surpassed that of the secondary sector in the early 1990s (Lin 2009, 113).

Explaining the Labor Quiescence

The existing studies on Taiwan's postwar workers are primarily preoccupied with two questions. First, what accounted for the apparent labor quiescence during the rapid industrialization of the 1960s and 1970s? Second, what triggered the labor insurgency in the wake of martial law being lifted in 1987?

Broadly speaking, there are three main approaches to explain the absence of industrial conflict during mass proletarianization. By looking at dynamic small and medium enterprises, the culturalist school maintained that a Confucian ethos encouraged workers to be frugal and hardworking, which laid the foundations for the economic miracle (Chan, 1996; Chen 1994, 284–98; Hwang 1989). The traditional ideal of familial harmony was a dominant value in guiding

the intrafirm interpersonal relationships for the collaborative pursuit of prosperity (Kao 1999; Lee 2004). Basically, culturalists simply ignored conflicts in the workplace and assumed that a shared cultural heritage persuaded workers to internalize managerial authority and industrial discipline (Minns and Tierney 2003).

The second school maintained that the protracted authoritarianism produced worker impotence. Deyo (1987; 1989a; 1989b) argued against the uncritical use of the culturalist explanation. He stressed that a number of antilabor policies, such as legal control of strikes and progovernment unionism, resulted in the "political exclusion of the working class." That the KMT regime deliberately demobilized workers in order to encourage business investment was also confirmed by other observers (Zhang 1991; Hsiao 1992a, 155–56; Xu 1989).

The third approach highlighted other social institutions that helped to dampen workers' class consciousness or channel their energy down other avenues. For workers employed in family-controlled businesses, patriarchy and the familial ideology perpetuated their subordination (Cheng and Hsiung 1992; Hsiung 1996; Lee 2004; Niehoff 1987). Women workers in export-processing firms were found to have their class consciousness "muted" because of social isolation and discrimination (Arrigo 1985; Gallin 1990; Kung 1976, 1994). In small and medium enterprises, recruitment was often based on the social ties of the native place, which further blurred the class relationship between employers and employees (DeGlopper 1995, 211–13; Harrell 1982, 131–32). Impoverished peasants who were forced to make extra earnings in industrial work became the so-called part-time proletariat, and yet precisely because of their rural origins, they were willing to endure "self-exploitation" to survive the hardship (Gates 1979).

Researchers also noticed the widespread practice of small-scale entrepreneurial activities among Taiwan's working class. Industrial work was often seen as a preparation for the starting of one's own business (Stites 1982 and 1985). Even among the managers of large companies, the ideal of independent entrepreneurship was still an alluring prospect (Silin 1976, 78). Shieh (1989) demonstrated that these microentrepreneurial activities constituted no less than a workers' self-help strategy to resist the fate of proletarianization, which instead gave rise to an ideological effect that further justified the dependent, precarious, and dreary nature of manual jobs. Gates (1996, 204–42) argues that these activities of "petty capitalism" were a safety valve for politically frustrated native workers. A survey study echoes the

above findings, indicating that Taiwanese workers demonstrated high awareness of their own identity without forming a class consciousness capable of mobilizing class-based action (Wu 1996).

Simply put, the first approach asserted that workers had no need for "class consciousness"; the second claimed that workers would have "class consciousness" in the absence of political repression; while the last approach argued workers' consciousness was diverted to "nonclass" channels. The latter two approaches provide valuable insights, and both are successful in locating some institutional factors that prevent the development of class insurgency. However, they remain insufficient for constructing a full picture of Taiwan's postwar working class formation. In general, I find the existing works overemphasize the quiescence of Taiwan's working class. The absence of organized worker protest is seen as proof of the nonexistence of class consciousness only if one assumes the narrow definition of orthodox Marxism. Concerning the second approach, the KMT's anticommunism and repressiveness certainly made class mobilization extremely costly. Nonetheless, the KMT's political reengineering of the workplace also sowed seeds of contention. Due to the unavailability of the relevant historical materials before the 1990s, the authors of this body of literature were largely unaware of the workers' revolutionary activities prior to the mid-1950s and, hence, exaggerated the effectiveness of the KMT's control in the initial years. As for the last approach, my research is more complementary to, rather than a revision of, their findings, since they focus exclusively on the experiences of private-sector workers, whereas this book is devoted to analyzing state workers. I will show that small-scale entrepreneurship is also a popular response among SOE workers, though it assumed different social significances.

Explaining Labor Militancy

Most observers agreed the waning of authoritarian control stimulated the labor movement in the late 1980s (Bello and Rosenfeld 1990, 215–30; Chao 1996 and 1998, 1–34; Chu 1996 and 1998; Fan 2000; Ho 1990; Ho 2003; Huang 2002; Lee 2006; Wang 1993; Xu 1989). Once the martial-law era prohibitions were removed, dissident workers found it easier to organize protest activities. The rise of the opposition encouraged the political defection of the working class. The advent of second-generation workers (Hsiao 1989, 177; Sen and Koo 1992, 63), the effect of export-led industrialization (Chu 2003), and other facilitating factors were also noted.

My research mostly agrees with the political explanation for the rise of the labor movement, yet I will further elucidate the following three points. First, in addition to the impact of political liberalization from without, we should not overlook the internal processes. The gradual evolution of labor unions away from party-state control paved the way for the surge in labor militancy. Secondly, in spite of the unprecedented nature of the labor upsurge, not all members of Taiwan's working class erupted into protest. In chapter 7, I will answer why some mobilizations were successful while others failed. Finally, scholarly attentions were clearly more attracted to the question of the origins rather than the consequences of the labor movement. Aside from the few studies on declining unionization rates (Chiu 2011a), the impact of privatization (Chang 2001), the challenge to state corporatism (Ho 2006a), and legal achievements (Ho 2006b; Lee 2011), the subsequent evolution of Taiwan's independent unionism and its impacts were largely ignored. I will fill up this lacuna by showing how social-movement unionism gave way to economic unionism as Taiwan's democracy was consolidated.

The Particularities of SOE Workers

The research reviewed in the preceding sections is primarily about Taiwan's private-sector workers. The neglect of state workers is easily understandable because they appear not to be directly involved with Taiwan's economic success. Taiwan's SOEs are rightly criticized as exceedingly bureaucratic and unproductive, and hence, they are internationally uncompetitive, with the notable exception of the sugar industry in the 1950s and 1960s, which will be explained below.[1] The failure to examine state workers, as I will argue, results in an incomplete picture of Taiwan's working class formation for three reasons. First, the postwar state sector originated from the colonial industrial assets, both owned by conglomerates and the government. With the fiat of nationalization, the KMT government took the nascent proletariat under its command—a fateful decision that had a long-term impact on how workers reacted to their subordination. Therefore, there was a period of time when the entire Taiwanese working class was nearly synonymous with state workers. Secondly, KMT authoritarianism envisioned a totalized control over workers with its installation of party cadres and security agents as well as unionization. Due to the resistance of private businesspersons, the KMT only realized its grand scheme in SOEs. Hence, the postwar fate of state workers provides us a clue to understanding the full extent of how entrenched

political control transformed workers' daily life. Lastly, although private and state workers erupted into protest after the 1987 lifting of martial law, only the latter was able to sustain their activism and witness instead a gradual, moderate transition to economic unionism.

With the KMT's postwar nationalization, Taiwan had a bloated and inefficient public sector, not only in basic utilities, but also in manufacturing. In 1952, for example, SOEs accounted for 42.6 percent of gross domestic capital formation and 56.6 percent of industrial production (Council for International Economic Cooperation and Development 1973, 29, 73). In the same year, the sales and profits from the state sector made up 47.6 percent of the government revenue, whereas the share coming from taxes was only 16.4 percent (Yuan 1998, 151). Not being a socialist country, the abnormal significance of SOEs in Taiwan was characterized as "bureaucratic capitalism" with which the KMT state practiced the undisguised exploitation of the Taiwanese people (Liu 1992). In the years to come, the economic significance of the state sector gradually declined as the private sector grew. According to the Industry and Commerce Census (*gongshang pucha*), well into the mid-1980s, the public sector continuously took up more than half of the assets of the national economy (see Table 2.1).

In terms of employment, the share of state workers fluctuated from 13.2% to 4.2% in the period of 1966–2001. The earlier statistics were incomplete or unavailable. A National Resources Commission (NRC) archival document indicates it supervised 44,845 workers in 1949,[2] but other governmental agencies, such as the Ministry of

Table 2.1 The share of SOEs in Taiwan's economy (1966–2001).

Year	Assets	Product	Employment
1966	56.4%	24.9%	11.4%
1971	52.2%	15.9%	8.8%
1976	53.7%	20.7%	13.2%
1981	52.2%	23.3%	7.9%
1986	60.9%	17.1%	7.5%
1991	46.9%	15.4%	7.0%
1996	36.5%	12.5%	5.4%
2001	27.6%	11.0%	4.2%

Note: The data are based on the reports of the Industry and Commerce Census (Directorate-General of Budget, Accounting and Statistics, 1968–2003), which are released every five years. Although there were surveys in 1956 and 1961, they did not provide relevant statistics.

Transportation and Communications (postal offices and railroad) and Ministry of Finance (banks), also managed productive units. It is safe to assume that the proportion of state workers in the early postwar era was higher than the figures in Table 2.1 given that Taiwan's private sector took off only after the 1960s.[3] Nevertheless, state workers, though a minority in Taiwan's working class, were heavily concentrated in the commanding height of industrial production. How they reacted to subordination had a lasting impact on Taiwan's political economy.

The macroeconomic role of Taiwan's SOEs is a disputed issue among scholars. Neoclassical economists view the state sector as inherently wasteful and recommend privatization as the only solution (Chen et al. 1992). On the other hand, other scholars argue that efficiency should not be the sole criterion, since Taiwan's public sector shouldered many social and policy goals, such as structural adjustment, social provisioning, and fostering industrial growth (Crane 1989; Chang 2002; Chu 1997). So far this debate has not been dealt with from a bottom-up perspective. My conclusion is closer to the former camp, but not because of the supposed allocative efficiency of the free market that is vulnerable to state intervention. As the following chapters will demonstrate, the problems with Taiwan's SOEs consist in the successive superimposition of different forms of divisive politics and the consequent workers' resistance.

Sugar Workers and Petroleum Workers

In this book, I will focus on two types of state workers in Taiwan. They are workers at the Taiwan Sugar Corporation (TSC) and the China Petroleum Corporation (CPC). Both were SOEs organized in 1946, mainly on the basis of the confiscated industrial properties previously owned by the Japanese, and were allowed to operate as monopolies over a long period of time. Both underwent a similar process of ethnic domination, party-state penetration, unionizing, and labor protests.

There are several rationales for my case selection from the rather large state sector in postwar Taiwan. First, in view of the historical scope, this study is interested in the state workers that had a colonial origin. Thus, telecom workers, shipbuilders, and steelworkers in the SOEs have to be left out. Secondly, smaller workplaces are not an ideal choice because of fewer available archival data. Such are the workers in machinery, fertilizer, petrochemical, salt, tobacco, wine, and water industries. Thirdly, the commonality of manufacturing workers makes it easy for a comparative framework. This criteria excludes the service industry (bank workers),

transportation industry (railroad, bus, flight, airport, and harbor workers), and communications industry (postal workers). Finally, I intend to understand the different outcomes of workers' mobilization in the wake of political liberalization. While the CPC workers represented arguably the strongest case of SOE union movement, the TSC workers were at the polar opposite for their failure to sustain protest activism. Hence a study on these two categories of workers help us to understand the shared institutional backgrounds that structured and fractured workers' solidarity, as well as the diverse consequences of their mobilization.

Taiwan began to export cane sugar as early as the seventeenth century when the island was occupied by the Dutch. The latter part of the nineteenth century witnessed a boom in sugar export after the treaty ports were opened. However, it was the Japanese who first brought modernized mechanic refineries and scientific farming to Taiwan in 1901. Owing to the sponsorship of the colonial government, the Japanese-controlled sugar industry developed into forty-plus refineries dotted throughout central, southern, and eastern Taiwan. In the late 1930s, Taiwan's sugar output reached its peak when it became the world's fourth-largest producer, trailing India, Cuba, and Java (Chen 2007, 60). Consequently, the Japanese scholar Yanaihara Tadao (1999) put forward the famous observation that the history of the sugar industry was synonymous with the history of capitalism in Taiwan (see also Ka 1995).

After the war, cane sugar still counted as the most important export item, which helped Taiwan to tide over the difficult decades when hard currencies were scarce. Before 1958, more than half of export came from sugar, and the share did not fall below 10 percent until 1967.[4] After that, Taiwan's sugar industry lost its international competitiveness and went into secular decline; the TSC, therefore, had to respond by diversification and downsizing. In 1948, the number of TSC employees peaked at 22,583 (cited from Xue 1995, 1: 366), and by 2008, it had shrunk to 4,275 persons.[5]

The petroleum industry followed the opposite trajectory. While the subtropical climate was ideal for sugarcane plantation, Taiwan was poorly endowed with fossil fuels. Before 1945, Taiwan's sugar industry was highly developed, whereas it was nearly nonexistent in China. Wartime China saw significant progress in petroleum refining under state sponsorship; however, similar efforts by the Japanese government in Taiwan were frustrated by the destruction of war. The navy-constructed refinery projects remained half finished and badly damaged when the war ended.

Taiwan's CPC first resumed fuel production and then moved into the areas of lubricants and petrochemical materials in the 1960s.

In the 1970s, the KMT promoted industrial upgrading by expanding the CPC, whose Kaohsiung Refinery grew to be among the world's top ten in capacity (CPC 1981, viii). The CPC retained its monopoly over petroleum refining and naphtha cracking until the late 1990s, when the privately owned Formosa Plastics Group (FPG) was allowed to operate these businesses. Unlike the doomed fate of the sugar industry, Taiwan's petroleum industry remained an integral part of the national economy by supplying the downstream producers with petrochemicals, plastics, and fibers. In 2001, Taiwan ranked thirteenth globally in terms of ethylene production (Petrochemical Industry Association of Taiwan 2002, 49). In 1951, the CPC employed 4,946 persons,[6] and the number grew to more than 15,549 in 2008.[7]

Research Data

My involvement with the CPC workers began when I worked as a campaign staff member for the union election of 1999–2000 and as a member of an ad hoc taskforce on privatization for the union in 2001. I kept field notes to document my observations. In 2002, my research on Taiwan's SOEs began. From 2002 to 2011, I interviewed 81 CPC workers and 53 TSC workers, both active and retired.

For historical data, I consulted a number of archival sources and published journals (listed in the references). The available data are incomplete, and many are missing due to poor management by the government, the KMT, and the SOEs. To give an example highlighting this problem, I accessed an extant copy of the 1946 transfer inventory of a TSC Refinery in the private home of a retired subsection chief who claimed his personal custody of the document was necessary because the company would eventually throw it away. The information concerning the nationalization of the pre-1945 Japanese assets, workers' activism in the White Terror era, KMT party members in the factory, and the early union activities in the 1950s and 1960s were especially scant. To address these lacunae, I rely on the biographical data of a few individuals.

Sugar Workers under Colonialism: The Formation of Labor Aristocrats

Before beginning my post-1945 survey, I shall describe the process of colonial proletarianization in the sugar industry and petroleum industry as the benchmark against which to measure the following developments.

These two modern industries came to Taiwan under different circumstances. The colonial government encouraged Japanese conglomerates to invest in sugar making in the 1900s with the aim of easing Tokyo's fiscal outlay for this newly acquired and unruly island, whereas the petroleum-refining industry was promoted in the 1940s for the war-making goal at a time when Taiwan was a planned military base for the southern advance. Capitalist industrialization and militarist industrialization resulted in different workforce patterns. Taiwanese sugar workers were much more numerous, stable, and habituated to the role of ethnic inferior, even though they counted as "labor aristocrats" when compared with their compatriots. By contrast, Taiwanese petroleum workers were few, young, and mobile, as the wartime destruction constantly disrupted the factory production.

How many Taiwanese worked in the colonial sugar industry? In March 1946, the KMT government began to take over actual control of the sugar industry, after a period of nominal "supervision" (November 1945–February 1946). The March 1946 data revealed that there were 16,004 employees in total (Zhang 1958, 21).[8] According to an informed estimate that 75 percent of the workforce was made up of Taiwanese people,[9] there were roughly 12,000 Taiwanese sugar industry workers toward the end of the war (Taiwan's population amounted to six million in 1946).

Taiwanese workers faced a clearly visible ethnic division of labor for they were largely concentrated in the rank of "operative" (*koin*, [J]) while only a few occupied the "staff" (*shokuin*, [J]) positions. In the Talin [Dalin] Refinery at the end of the war, for example, 69 percent of Japanese employees occupied staff positions, whereas 95 percent of the Taiwanese were operatives. The leading positions of the director (*shocho*, [J]) and the five section chiefs (*kacho*, [J]) were without exception occupied by Japanese persons (Supervisor of the Great Nippon Sugar-Making Company Talin Refinery 1946, the author's calculation). There is evidence that ethnic asymmetry was more skewed in the earlier period since most Taiwanese people had not received modern education and industrial training. In 1923, two refineries in the Hualien [Hualian] area showed the following bias: among 44 members of staff, only three were Taiwanese, and at the same time there were 133 Taiwanese to 105 Japanese operatives (Zhong S. 2009, 101).

The staff-operative distinction roughly corresponded to that between white-collar jobs and blue-collar manual jobs, even though not all staff members were in supervisory and managerial positions. Not only did staff members enjoy better remuneration in cash income and company welfare, but also, under the Japanese labor regime, they

possessed the status respect that was denied to the majority of workers. In Japan, the status gap was so large that the pursuit for equal dignity fueled the prewar labor movement (Gordon 1985). But in colonial Taiwan, the situation was worsened in that ethnic inequality was superimposed upon status inequality, thus creating an almost unbridgeable cleavage. The few Taiwanese who were able to rise to the staff rank were seen as opinion leaders among their compatriots; and their achievement was vividly remembered (Zhan 2002, 340).

The ethnic divide was also discernable in job assignment. Taiwanese employees, regardless of their position, were less likely to be allocated to the general affairs section, which functioned as the command center for the whole refinery; at the same time, they were overrepresented in the transport section, which required less skills and training. At the Hsinying [Xinying] Refinery in 1945, 59 percent of employees in the general affairs section were Taiwanese, whereas they constituted 86.6 percent of those in transportation (National Resources Commission 1947, 5, the author's calculation).

Even though a minority of Taiwanese could attain the same positions as Japanese workers, they still faced wage discrimination. It was customary practice to pay Japanese a stipend for their overseas service. The amount of this bonus varied; and over the years it constituted a significant portion of the ethnic differential in wages. An oral-history account estimated that the so-called offshore service bonus (*gaitou kinmu*, [J]) corresponded to 20 percent of the overall wage (Xiao 2008, 238). According to a 1929 official survey, the 18 sugar refineries that hired more than 300 persons demonstrated the following income disparity: Japanese employees earned as much as 2.15 times the Taiwanese average (Taiwan Governor-General 1992, 26–27, author's calculation).

The sugar conglomerates provided residences with all kinds of facilities to accommodate Japanese managers, engineers, and technicians who had ventured to this unfamiliar island. Schools, Shinto shrines, consumer co-ops, and other amenities were constructed. Labor historians would easily identify this feature as "welfare capitalism"—a business practice to cultivate a docile working class in the early twentieth century (Crawford 1995)—but here the holistic planning was designed to meet the special needs of colonizers who preferred to be spatially segregated from their Taiwanese counterparts. A refinery started as a planned town for metropolitan sojourners, an outpost of Japanese civilization in the tropical countryside. But over time, company residences grew to include a sizable number of natives. Expectedly, ethnic segregation was reproduced in the residential

areas; Taiwanese residents were always assigned smaller units located near the perimeter (Lin 2008, 26). Japanese dormitories were equipped with independent kitchens and bathrooms, whereas Taiwanese units had to share these facilities (S. Zhong 2009, 86). Amenities such as dining halls, clinics, retail stores, and public bathrooms were all located in the Japanese quarter only (Zhou and Xu 2009, 199–200). Thus, although the company housing eventually grew to incorporate some Taiwanese workers, they were treated in a separate and unequal manner.

Working for sugar conglomerates, Taiwanese workers were placed under an encompassing regime of ethnic subordination, both in their job and in their off-duty time. Fujiyama Raita, the former president of the Great Nippon Sugar-Making Company, made the following comments in 1936: “There is an indelible distinction between the Japanese and Taiwanese people, just like oil and water. To expect Japanese and Taiwanese workers to cooperate whole-heartedly is like waiting for a muddy river to clean up. It is not even possible in a hundred years” (Fujiyama 2007, 191).

Thus, one is inevitably led to ask the question why the Taiwanese workers were willing to accept ethnic domination. The reason was simple. By collaborating with Japanese capital in facilitating colonial extraction, Taiwanese workers were allowed to live an enviable life that was beyond the reach of their compatriots. This was especially true for sugar refinery workers because the rural location meant that their reference group was mostly local peasants, who were notoriously exploited in the procurement system. The neighboring peasants had a complicated attitude toward sugar refineries. On the one hand, sugar companies usually built refineries on their ancestors’ land, which they were forced to sell, and coerced them to cultivate sugarcane at unreasonable price. On the other hand, sugar refineries had almost everything they desired. During the sugar-production season, temporary jobs offered extra income to farming (Tu 1997, 61). Villagers would even use discharged cooling water for alfresco hot baths (Zheng 1999). Thus, there was a popular saying: “It would be a blessing to be able to hug the sugar company’s smoke stack.”

Ye Shengji (1923–50), a medical doctor who was later executed by the KMT for his clandestine communist activity, grew up at the Hsinying Refinery, where his foster father worked as a subsection chief—an anomalous achievement for a Taiwanese person. Ye said his childhood was so culturally assimilated that he identified Japan as his “home country.” His successful foster father was described as working hard and behaving very cautiously, “as if he would take the effort to

Figure 2.1 The sumo team by children of the Chiaotou Sugar Refinery workers (probably 1940–45).

Permission by Huang Hui-yi.

Colonial sugar refineries with residential facilities were an enclave of Japanese culture. Although Taiwanese workers were placed at the bottom of company hierarchy, they were "labor aristocrats" for secure employment and cultural assimilation compared to their compatriots.

knock on a strong stone bridge before crossing it" (W. Yang 1995, 15, 17). The lure of a labor aristocrat's life with cultural assimilation and material security persuaded Taiwanese skilled laborers to swallow the bitterness of ethnic discrimination.[10]

Petroleum Workers: The Nascent Proletarianization

Sugar workers represented a full-blown case of colonial proletarianization, whereas petroleum workers remained in their nascent state until the end of war. In order to fuel its navy fleet in the coming war in the Pacific, Japan decided to promote the petroleum-refining industry in 1941—exactly four decades after the first modern sugar mill went into operation. The navy planned to build three refineries, in Kaohsiung, Hsinchu [Xinzhu], and Taichung [Taizhong]; however, none

of these factories were in full operation before the end of war. The first phase of construction of the Kaohsiung Refinery (called the Sixth Navy Fuel Plant at the time) was finished in 1944, and at that time, it was the second-largest petroleum refinery in Asia (Yang 2009, 116). However, in the latter half of that year, US bombers flying over from the Philippines brought about severe damage to the refinery. Workers were ordered to scavenge the wasted metal and dismantle and relocate the machineries.[11] In the end, only the Kaohsiung Refinery remained despite its grave wartime destruction, while the other two were too rudimentary to become viable in the postwar era (Petroleum Industry Retired Persons' Association 2006, 340–41).

Initially, when recruiting native workers, the Japanese navy targeted teenagers. There was strong competition because the petroleum refinery jobs came with the status of "military support staff" (*gunzoku*, [J]), a category that "included all personnel not in a combat role" (T'sai 2005, 113), exempting them from possible military conscription as the war approached Taiwan. Since there were no operating refineries in Taiwan to train these young workers, they were sent to other refineries in Japan and Java for apprenticeship. Due to the prolonged overseas training, the local workforce was never stabilized. The wartime exigency made routine production impossible, as maritime transportation was thoroughly disrupted. Hence, unlike in other industrial sectors, Japanese employees exceeded Taiwanese in petroleum refineries. There were 999 Japanese employees and 361 Taiwanese when the war ended (The Sixth Navy Fuel Plant Historical Committee 1986, 260–81).

Even though the proletarianization of petroleum workers was still in its incipient stage, ethnic discrimination was still noticeable, if not worsened by the fact that Taiwanese workers were supervised by military officers. In the Miaoli [Miaoli] oil field, 60 percent of the staff and 10 percent of the operatives were Japanese (Yang 1991, 196). Among the oil-drilling operatives, the foremen were usually Japanese, who were entitled to an extra bonus and did not have to start from the lowest rung (Shi 2009, 82–83). The Kaohsiung Refinery also reproduced ethnic segregation at the residence. Taiwanese operatives were accommodated in a cramped dormitory, while Japanese navy officers were assigned with independent family houses (Wang et al. 2011). An interviewed Taiwanese employee revealed the ethnic tension he experienced in the workplace. Japanese supervisors often tried to provoke Taiwanese workers into acts of insubordination, which justified the application of disciplinary punishment. Naturally, the militarized milieu further exacerbated ethnic inequality.[12]

In short, the sugar and petroleum industries showed two patterns of colonial working class formation. Both types of workers were privileged in comparison with the majority of Taiwanese peasants, although they were treated as ethnically inferior in the workplace. Sugar workers were habituated to the role of labor aristocrats because of their deeper immersion in the industrial order constructed by the Japanese. Petroleum workers, on the other hand, had not settled down into this role since they were relatively young, mobile, and inexperienced.

Chapter 3

Politics of Ethnicity: Neocolonialism and Revolutionary Insurgency

The euphoria over the liberation from fifty-one years of colonial rule was brief, and what the Taiwanese people had not expected was the barely disguised corruption, discrimination, and predation from the KMT officials. Throughout China, the KMT government's take-over of the Japanese-occupied areas was nearly indistinguishable from plunder; hence "by the end of 1945," Pepper (1986, 738) contends, many people "had acquired grievances for which the government's policies and the behavior of its officials could be held directly responsible." Taiwan's prolonged separation from China as well as the significant modernization during the Japanese rule made the transition even more unbearable. How the nascent proletarians responded to the chaotic interregnum was of particular interest because they were among those who encountered the unanticipated ethnic domination directly because of their new status as state workers. This chapter will describe how the most conscious elements among state workers resorted to radical insurgency both during the 1947 uprising and in the subsequent clandestine revolutionary movement. The failure of both attempts sealed the Taiwanese workers' subordination in the ethnic division of labor in the postwar era.

Here the postwar ethnic relations in Taiwan should be foregrounded. Prior to 1945, Taiwan's population consisted of different linguistic groups of Chinese descendants and indigenous peoples, who were speakers of Austronesian languages. With the exception of the latter, the fifty-one years of colonialism had more or less

homogenized the inhabitants into a Taiwanese identity in relation to their Japanese rulers. Hence the major ethnic question in the postwar era was based around the strained relations between six million native Taiwanese people and roughly a million Mainlanders,[1] most of whom came to Taiwan with the KMT regime in 1949 after the latter's debacle in the Chinese civil war. There was an unequal pattern in the ethnic division of labor, with Taiwanese dominating the sectors of farming and private business, while Mainlanders were largely concentrated in the government officialdom, military, and police (Johnson 1992; Gates 1981). In her ethnographic study, Gates (1987, 227) concluded, "Taiwanese rather than Mainlander culture dominates the working class" because of the concentration of the former in the manual trades. The salience of the ethnic divide in the earlier postwar era had led scholars to speak of an "ethnicized mobility pattern" in Taiwan (Wang 2001 and 2002). Honig (1996) suggested that ethnic identities in Chinese societies were historically created by migration and the resultant labor market segregation. Taiwan's postwar ethnic relationship followed a similar pattern, with one major exception being that migrant Mainlanders were explicitly supported by an exile regime that dominated the native society with the use of force.

As I will argue below, an extreme ethnic division developed in Taiwan in the immediate postwar years, as Mainlanders overtook the managing positions originally occupied by Japanese employees, whereas the Taiwanese remained in the bottom tier. Following Michael Hechter's definition of *colonialism* as where (1) a "racially" or "culturally" different group imposes domination upon another group, and (2) the dominated society is condemned to an instrumental role serving the metropolis, and finally (3) racial or cultural stereotypes are constructed to legitimate the subordination (Hechter 1975, 30), I will characterize the situation as *neocolonialism*. In this period, ethnic domination solidified Taiwanese worker unity, as evidenced by their participation in the revolutionary struggles.

Taiwanese Industry Recolonized[2]

Even before the KMT government arrived in Taiwan, the decision to nationalize the industries had been made. There were some ideological roots for this policy. First, the initial postwar Taiwan governor, Chen Yi, was an avowed follower of Sun Yat-sen's economic doctrine of people's livelihood (Chen 1992, 35). He insisted on implementing his socialist version in Taiwan without regard for the opposition from

the native bourgeoisie and land-owning class, who were expecting a greater degree of economic freedom following the end of colonial rule. Secondly, the National Resources Commission, a technocratic agency that supervised the wartime industrialization in China's vast hinterland, envisioned a quasi-socialist road to the postwar economic recovery with centralized planning and government ownership (Kirby 1992, 198). With the NRC's statist preference, Taiwan turned out to be an ideal place for experimentation because of its modernized infrastructure and industry. Whatever the ideological rationale was, the result was a series of economic mismanagement, official venality, and outright exploitation of people's properties in Taiwan, and the same situation took place in other parts of China previously occupied by the Japanese (Pepper 1978, 21–41). In Taiwan, the economic depredation was further aggravated by the imposition of ethnic domination, as those Mainlanders who were well connected with the KMT government were able to secure lucrative positions by living off the work of native Taiwanese people. Over the years, the nationalization kept economic power firmly under the control of Mainlanders (Amsden 1985, 92; Haggard 1990, 88).

While the Taiwanese people experienced an unexpected déjà-vu of colonial domination in the postwar era, the situation of industrial workers deserves a closer look as they underwent the triple processes of carpetbaggery, corruption, and extraction.

(1) Carpetbaggery

The Second World War ended in August 1945, and in March 1946 the Chinese government began to take actual control of Taiwan's industry. The TSC was formed in June of the same year by integrating 40-plus sugar refineries and other production units that originally belonged to four major Japanese conglomerates. At the same time, the CPC was incorporated in Shanghai, with production facilities scattered all over China. On the mainland, the CPC managed the wartime refineries in the northwest as well as those left behind by the Japanese in the northeast, which soon fell into the communists' hands. In Taiwan, the CPC's assets initially included the Kaohsiung Refinery, a chemical solvent plant in Chiayi [Jiayi], oil and gas fields in Miaoli, and a research institute in Hsinchu.

For Taiwanese workers who witnessed the regime change, a new colonial order based on the ethnic difference between Mainlanders and natives emerged with the gradual departure of Japanese workers. When the TSC was incorporated, there was only one Taiwanese

person among the 46 first-rank officials and 3 Taiwanese refinery directors out of a total of 37 (TSC 1946, 81–87). On the shop-floor level, Taiwanese workers remained concentrated in the ranks of operatives (*gongyuan*); they saw that their supervisors were being replaced by mainland immigrants who not only obtained the staff positions (*zhiyuan*),[3] but also the much coveted housing units in the residential area.

These newcomers were largely unqualified due to a lack of experience and training. As a result, they tended to occupy nonproductive positions, which ironically offered better payment and benefits. The postwar personnel statistics show an abnormal expansion of staff members while the number of operatives grew only slowly. In March 1946, the TSC employed 2,948 staff members and 13,056 operatives (Zhang 1958, 21), and the numbers grew to 5,364 and 16,274 by December 1947 (Xue 1995, 1: 417). Staff as a percentage of total employees rose from 18.4 to 24.8 percent in less than two years.

Senior workers at the Chiaotou [Qiaotou] Refinery recalled the differences between the two regimes: "There was only one policeman in the Japanese period, but the KMT government needed 30 policemen. To manage the whole office, the Japanese hired six persons, but afterwards 60 persons from mainland China were not able to get the job done. Furthermore, there were many newly created units such as those that dealt with public relations . . . and those who came from the mainland knew nothing about sugar-making" (Zhen 1996, 78).

Another worker reported the same situation regarding farm management. In the past, one person with a dog was equal to the job; the KMT government staffed 30 persons without bringing about satisfactory results (Kio-A-Thou Culture Society 2001, 27). The KMT Central Executive Secretariat circulated a report in February 1946 that documented the plight of rural society due to the virtual cessation of sugar production. The report suggested hardship could have been avoided if "the government had recruited Taiwanese technicians" (Chen 1992, 1: 52).

In the petroleum industry, the NRC managers and engineers were obviously more capable due to their previous experience in wartime China, and their well-qualified expertise left a favorable impression on the postwar American advisors (Kaohsiung City History Commission 1995, 3). Nevertheless, featherbedding was still noticeable. The CPC's staff as a percentage of total employees rose from 10.9 percent in 1946 to 13.2 percent in 1948 (Xue 1995, 1: 366, my calculation). A Taiwanese retiree, who worked at a refinery in Borneo during the war, recounted that when he finally returned to Taiwan after the war,

all the well-paid positions vacated by the Japanese were already taken. His inability to acquire a suitable position at that time negatively affected his 47-year CPC career (Petroleum Industry Retired Persons' Association 2004, 227). Nepotism among Mainlanders was rampant. The first director of the CPC Kaohsiung Refinery came from Fuzhou of Fujian Province, and hence all the factory guards were of the same origin (Xu and Fang 1994, 2, 29).[4]

The NRC officials who managed the Kaohsiung Refinery were well treated. They were able to visit many scenic areas of the island on organized tours sponsored by the company (Petroleum Industry Retired Persons' Association 2006, 131), while most Taiwanese workers suffered economic hardship. In addition, the company also hired cooks and housemaids to serve the Mainlanders (Feng 2000, 173, 179).

An NRC document dating back to February 1946 noted the resentment among Taiwanese workers: "Waves of worker protests have emerged since December 1945. Besides the economic causes (low pay and high commodity prices), there were political reasons. They [Taiwanese workers] thought that the Taiwanese people had been liberated from Japanese rule and consequently should take over their role. As a result, they raise such slogans as 'Taiwan is Taiwanese.'"[5]

In spite of the perceivable frustrated aspirations, NRC officials were not ready to address these grievances. They argued for more "political training" (*zhengzhi xunlian*) in order to eradicate the "localism" (*difang guannian*) as well as better liaisons with security agencies to suppress worker protests.[6] Officials blamed narrow "localistic" consciousness on the part of Taiwanese workers for the troubles, while the extant archival material indicates that job solicitations by Mainlanders were frequent and some high-ranking positions were distributed in this manner.[7]

During the first TSC meeting in June 1946, general manager Shen Zhennan vowed to increase the number of Taiwanese employees, but it remained empty rhetoric. The TSC decided to recruit high-ranking staff members from Japanese nationals or overseas and mainland Chinese, while the Taiwanese population would be promoted only for farming and industrial needs. In particular, an elaborate system for remunerating Mainlanders and their family dependents in terms of a resettlement fee (*anjiafei*), travel fee (*lüfei*), and subsidy (*buzhufei)* was promulgated.[8] The additional stipend for expatriates had been a much hated practice since the Japanese colonial period. As a result of the extra payment, the income disparity between Mainlanders and Taiwanese employees was exacerbated. In the case of the TSC Taichung

Refinery, the average monthly salary for a Taiwanese staff employee was Taiwan Dollars (TD) 112.3,[9] whereas that of Mainlanders was TD 214.4 (TSC Taichung Refinery 1946, 42, author's calculation).

(2) Corruption

Taiwanese workers were angered by corrupt behavior among the takeover officials. In fact, during the chaotic interregnum, sugar refineries became a happy looting ground for everyone. Many Taiwanese families, for example, refused to return the "evacuated sugar" that was put into their custody in order to avoid the risk of wartime bombing. Those who were well connected could easily sneak into refineries and steal the stockpiled sugar (Zhang et al. 1995, 62). According to a former employee at the Taitung [Taidong] Refinery, many of the Taiwanese locals sought to seize the belongings of the remaining Japanese, whose military defeat had rendered them extremely vulnerable. Such practice was then euphemized as "skinning the dogs" since the locals referred to the colonial rulers in canine terms (Xiao 2008, 71–86).

The CPC Kaohsiung Refinery appeared to invite more intensified and violent looting since its land was a recent expropriation from the neighboring villagers, just four years before the Japanese surrender. The villagers even drove in an ox cart to take away everything that was valuable, and the factory guards found it hard to stop them (CPC Kaohsiung Refinery 1979, 570–71).

While these acts of petty theft and robbery were undoubtedly prevalent, they paled in significance when compared with the predatory behaviors by officials. Contemporary reports told many stories of how officials simply took the public property as their own personal booty and sold them for profit (Dai and Ye 1992, 154, 163; Wu 2007, 85). That takeover officials demanded bribery from subcontractors without even the slightest intention of disguising their criminal behavior was a great shock to native workers—something simply unimaginable in the Japanese era (Jiang 2002, 79).

At the Hsihu [Xihu] Refinery, due to corrupt and predatory behaviors, the takeover officials later incurred the violence of the locals. The case of general section chief Shi Xianjue in particular serves as an illuminating case. Shi obtained this lucrative position because the director was his father-in-law. Whenever there was a job opening, Shi demanded a bribe from the applicants. During the February 28 Incident, as native resentment against corrupt Mainlanders rose, Shi fled the area; angry folks discovered two suitcases of neckties and several

gold bracelets—evidently loot acquired from the abuse of his managerial authority (Academia Sinica Institute of Modern History 1993, 233).

The personal story of Chen Shaoyin was revealing in this regard. Chen went to Japan for high-school education and became a staff employee in a small independent sugar company before the end of the war. Chen was troubled by the systematic corruption of mainland officials. In preparing inventory transfers, officials would hide valuable materials so that they could sell them privately. He reported these irregularities to higher authorities, only to find them equally implicated. Frustrated, Chen finally went to the TSC headquarters and demanded a personal meeting with general manager Shen Zhennan. Shen appeared genuinely concerned about the corruption and instantly promoted Chen as a special agent to supervise the transfers all over the island. In spite of this, Chen found the TSC leadership persistently unable to eradicate the widespread corruption (Chen 2005, 138, 144–45, 156).

The available archival sources demonstrate that the top management personnel were equally reproachable. In 1947, Shen Zhennan managed to obtain a TSC donation of five million National Dollars[10] for a private-school project in Guizhou Province initiated by a fellow alumni of his alma mater, while a TSC deputy manager also facilitated a donation of one million National Dollars to his alma mater.[11] No matter whether it was for the purpose of fattening their own purses or peddling their influence, Taiwan's sugar industry—the crown jewel of colonial industrialization—suffered from acute hemorrhage.

In the CPC Kaohsiung Refinery, the takeover officials acknowledged that the transfer inventory was rudimentary, and there was no attempt to count and retrieve all the prewar property (Petroleum Industry Retired Persons' Association 2006, 156). Naturally, the NRC officials blamed the chaotic situation on wartime destruction and popular looting without mentioning their own venality. An eyewitness asserted that the Chiayi chemical solvent plant was not immediately put into operation because the officials were too busy embezzling the company assets. As a result, hundreds of local workers lost their livelihood (Y. Zhong 2009, 314).

There was one Taiwanese person who was assigned takeover tasks for the CPC. Zhou Shi, due to his Hong Kong wartime experience and ability to speak Japanese and Mandarin Chinese, was hired by the NRC to facilitate the transfers of the Kaohsiung Refinery. Zhou later recalled that he alone was responsible for all the difficult work, while his mainland colleagues simply idled around. At the time, the relatives

of officers in the neighboring military bases were also hired in the refinery because of their personal connections, yet they did nothing but play mahjong all day. The refinery management even complied with the demands of the military officers for food, sometimes by the truckloads (Xu and Fang 1994, 2, 12–13).

Probably because of his vocal opposition to corruption, Chen Shaoyin was arrested under the charge of communist sedition in 1950. He was sentenced to 13 years in prison.[12] Zhou Shi, meanwhile, appeared not to be concerned particularly by the venality of officials; nevertheless, his leadership in the ill-fated worker militia during the February 28 Incident brought him personal troubles. Zhou and his Taiwanese colleagues were arrested by soldiers. The CPC did not rehire him after his release. The tragedies of Chen and Zhou, simply put, stemmed from the fact that they were among the few Taiwanese people who found themselves in the "wrong position." Consequently, their liquidation became a political necessity to cover up all the crime.

(3) State Extraction

Predatory behavior against Taiwan's industry took place not only individually, but also in an organized fashion. The KMT government was then faction-ridden, and each clique wanted to carve out their share of the bounty. Since Chen Yi of the Political Science Faction (*zhengxuexi*) already had control of the administrative apparatus, Premier T. V. Soong wanted his NRC allies to assert control over Taiwan's economy. In March 1946, they reached a deal on how to divide the nationalized assets. Accordingly, the NRC owned 60 percent of the TSC, while the other 40 percent belonged to the Taiwan Provincial Government (Chen 1995, 226).

State-initiated extraction from Taiwan's sugar industry also took place. In order to meet the rising military cost of the civil war, in 1946 the government ordered 150,000 tons of sugar to be shipped to Shanghai and sold for revenue. Further demands were issued next year. The Taiwanese were outraged by these acquisitive seizures for many reasons. First, the local sugar supply had become insufficient even though Taiwan's production was abundant. Second, the TSC's war-fractured facilities badly needed cash to launch their recovery (Chen 1995, 84; Ceng 2007, 235–36; Wu 2007, 127). After the February 28 Incident, Shen Zhennan acknowledged that the decision to commandeer sugar was among the triggering factors of the popular uprising.[13]

According to the NRC's statist plan of postwar recovery, the economic assets of the Japan-occupied territory would be relocated to support national needs (Kirby 1992, 203–4). In an initial report dating from February 1946, the NRC planned to shut down 25 out of 42 sugar refineries in Taiwan,[14] and some of the facilities were to be moved to other provinces to stimulate the growth of the sugar industry. Such national planning was sure to arouse opposition from local people who wanted to keep their livelihood. In Manchuria, the NRC officials were eventually prevented from dismantling the Japanese petroleum refineries because of strong local resistance (Deng 1995, 28). However, in Taiwan, the NRC succeeded in dissembling two sugar refineries and shipping them to mainland China (Zhang 1958, 58).

Finally, the KMT party-state also attempted to snatch resources from Taiwan's industry. In December 1946, the KMT decreed that the TSC, among other newly nationalized firms, was to contribute a sum of 10 million National Dollars to finance party activities. After initial reluctance and procrastination, the TSC met this request one year later, and soon the KMT Taiwan Province Party Branch also demanded a contribution of TD 380,000.[15]

With pervasive carpetbaggery, corruption, and extraction, Taiwan's industry was rapidly recolonized to service the Nanking-based KMT regime and its followers. At the same time, Taiwanese workers were relocated to the bottom of the ethnic order while Mainlanders assumed the privileges and positions that were previously exclusively Japanese.

The official account of the early postwar years took a completely different angle. The emphasis was on how the mainland management strove to repair the war-damaged factories, never mentioning irregularities. The NRC officials claimed that they had succeeded in eradicating the "discrimination on origins" prevalent in the Japanese period (Xue 1995, 2: 477). However, such remarks plainly deviated from the facts presented above. The proclaimed ethnic equality did not square with the practice of paying Mainlanders more under the name of "resettlement fees" and "travel fees." The official explanation was to recruit talents to expedite the recovery project (TSC 1971, 17). One of the mainland TSC employees I interviewed echoed this view by saying that natives were not so well educated when compared to Mainlanders. As a result, it was natural for Mainlanders to be assigned to higher positions.

True, during its mainland period, the NRC developed into one of the most technocratic organs in the Nationalist government to the

extent that American advisors found that it systematically undervalued the contribution of skilled technicians (Kirby 1989, 31). In its management of wartime industry, the NRC engineers were even in the habit of doling out physical punishment to disobedient workers in order to strengthen industrial discipline—a vestige of educated mandarins' privileges (Feng 2000, 108–9). There was no denying that education opportunities for Taiwanese people had been limited under Japanese colonialism (Hong 2007). The evidence I gathered, however, indicated that the Taiwanese were discriminated against not because of their lack of schooling and skill. Instead, it was an integral part of neocolonial domination.

First, with or without college degrees, the takeover officials sent by the NRC were rather unqualified for the task of managing the TSC. As one Huwei [Huwei] local historian revealed:

> Our sugar refinery relied on sugarcane for its source. However, the KMT sent us an official to head the farming section, and he had never seen sugarcane and did not know how to plant it . . . There was another Mainlander who had never taken a train ride, and yet he was assigned with the task of dispatching trains. Therefore, Taiwanese people harbored grudges. My grandfather had the highest education qualifications and longest experience in the farming section, but he was never promoted to section chief in his whole lifetime. (Chen 2009, 167–68)

Secondly, it was soon discovered that many mainland migrants simply forged their education diplomas in order to obtain a staff job in the public sector. The revelation of such mass fabrication fueled the popular anger during the February 28 Incident (Y. Zhong 2009, 2: 455).

Finally, the official rationalization did not fit well with the contemporary observation that many educated Taiwanese natives were summarily dismissed to make way for less qualified Mainlanders (Chen 1992, 1: 131). Chen Shaoyin was undoubtedly right when he stressed the fact that mainland China had only one refinery then, and consequently it was impossible to produce sufficient "capable persons" to manage Taiwan's whole sugar industry (Chen 2005, 166).

Therefore, the claim that the Taiwanese natives were "uneducated" and "exploited"[16] functioned as what Hechter (1975) called "cultural stereotypes" to justify neocolonial rule. In the initial postwar era, observed by Hill Gates (1981, 268), "even the poorest Mainlanders enjoyed several advantages over wealthy and formerly powerful Taiwanese persons." In terms of working class formation, an ethnic divide was superimposed upon industrial proletarians. Class subordination

was reinforced by ethnic discrimination, creating a highly volatile polarized pattern, which finally exploded in the February 28 Incident of 1947.

Defending Factories during the February 28 Incident

During the 1947 uprising, a contemporary Shanghai reporter noted that Taiwan remained essentially a colonial society: "The political shackles and economic bondages that were imposed on the Taiwanese people were not relieved, except that Chinese overlords came to replace the Japanese colonial masters. The people remained the oppressed slaves" (Chen 1992, 1: 114).

Indeed, it was this resentment against recolonization that gave rise to the February 28 Incident of 1947. The island-wide rebellion against the KMT reign began with a rather insignificant dispute over an instance of overbearing efforts by government agents to outlaw unlicensed cigarette sales on February 27. Yet when peaceful petitioners were gunned down by Chen Yi's soldiers the next day, the conflict erupted into a full-blown protest against the KMT tyranny. During the first week of March, natives rose in spontaneous, yet island-wide, assaults on governmental units as well as Mainlanders. The attempt to find a peaceful solution by Taiwanese politicians was undermined by the regime's agent provocateurs that continued to instigate the natives' violence and recalcitrance on the part of Chen Yi. Distrustful of the negotiation approach, younger radicals attempted to seize arms and battled the KMT government by force. The tragedy took place when Chinese soldiers disembarked at Keelung [Jilong] on March 8 and launched a bloody campaign of suppression. Until the end of martial-law rule in May, 20,000 Taiwanese people were estimated to have been massacred.

What happened to the state-owned factories as Taiwan suddenly plunged into a civil-war situation? How did Taiwanese workers behave when facing the irreconcilable conflict of two ethnic groups?

The well-supplied industrial facilities were strategically critical for the natives' uprising. Weapons, vehicles, and even cash were the vital materials required to sustain armed attacks against the KMT. In many places, the native rebel leaders sought to commandeer the resources, and their attempts came with varying degrees of success (Executive Yuan February 28 Incident Research Group 1994, 113–14; Tu 1997, 77). In Chiayi City, the radical faction held

sway. On March 3, they dispatched five trucks with armed youngsters to search for strategic resources throughout Tainan County. Many sugar refineries in that area were sacked (Xu 2001, 174–75, 273–75). Aside from the military maneuvers, unorganized vandalism or theft against factories by neighboring residents soared as public order broke down. Just like other official institutions, nationalized factories were places where Mainlanders were concentrated, and it followed that the wave of ethnic violence would not spare them. In Matou [Madou], an angry mob captured a group of Mainlanders and succeeded in robbing all their personal belongings (ibid., 276).

In Huwei, a protracted armed conflict took place. Taiwanese insurgents occupied the district office and used the weaponry taken from the police station to mount a successful battle with the Chinese soldiers that guarded the local airport. Later on, they turned to assault the refinery and threatened to vent their anger on mainland staff members stationed there, only to be halted by the intervention of Taiwanese workers (Zhang et al. 1995, 63–64; Yang 2003, 91–93).

In Hsihu, unorganized violence against Mainlanders broke out on March 2. When township office officials arrived at the refinery, Mainlanders had already fled for the protection of their Taiwanese coworkers, and an angry mob vandalized their housing in revenge (Lu 2004, 104–5; Ou and Li 2003, 469). One day later, a youth self-defense team (*qingnian ziwei dui*) was formed under the leadership of a schoolteacher Lin Caishou, with the purpose of maintaining local peace. Lin took a "loan," under his name, of rifles, bullets, and trucks from the refinery. With these resources, Lin led his men to join the militia that had taken control of Taichung City (Academia Sinica Institute of Modern History 1993, 222–23).

The CPC Kaohsiung Refinery was also a target of popular looting. Twice angry mobs threatened to enter the factory compound, but both times they were deterred by the volunteer militia (*yiyongdui*) organized by Taiwanese workers (Xu and Fang 1994, 2: 14). The native insurgents set eye on the refinery's fuel, which they wanted to commandeer in order to wage war against the KMT army (Petroleum Industry Retired Persons' Association 2006, 346). Workers' efforts in defending the factory saved the Kaohsiung Refinery and its mainland managers from the natives' violence. Ironically, the only property loss came from the soldiers' looting as the KMT's undisciplined army retook the refinery with the mission of suppressing the insurgency.

Figure 3.1 A field drill of militia of the Chiaotou Sugar Refinery workers (1941). Permission by Huang Hui-yi.

During the Second World War, Taiwanese sugar refinery workers were organized into militia and received military training, both for patriotic and defense purposes. During the 1947 February 28 Incident, these workers applied their military skill in protecting their factories.

At this critical moment, Mainlanders were mortally intimidated. The flight of numerically inferior factory guards left many factories virtually defenseless. It is noteworthy that Taiwanese workers took a neutral stance by siding neither with the Taiwanese insurgents nor with the mainland officials. In a number of sugar refineries, workers organized self-defense teams to shield against the outside violence. Under their command, Mainlanders were gathered and confined in secured buildings within the refinery compound as a protection measure. In Huwei, a potential massacre was averted in this fashion. The same scenario took place at the Hsihu Refinery. With the town under the control of young radicals, it was the Taiwanese workers who struggled to secure the refinery and protect the fleeing Mainlanders (Shi Jinshan Foundation 2002, 346–47).

The petroleum workers made a similar attempt to protect their refineries and officials. With the outbreak of the incident, the refinery director, Ping Guo, asked for protection from the neighboring

military units, but his request was denied. According to the native workers, Ping Guo rallied Taiwanese workers, and a volunteer militia was organized. Workers armed themselves with rifles left behind by absconding guards and took shifts to guard the factory premises. Mainlanders were told to stay in the staff residential complex, which was protected by armed militia members (Xu and Fang 1994, 2: 27–32). However, the Taiwanese workers' subsequent accounts differed from the CPC officials. In a telegraph dated March 13, Ping Guo reported that Taiwanese workers "responded to the insurgency from within, and hijacked the factory and weaponry, thus threatening Mainlanders" (Chen 1992, 1: 183–84). Other mainland officials concurred with Ping Guo's assessment that the volunteer militia were not defending the factory, but rather usurping it, and Mainlanders were not protected, but rather imprisoned (Feng 2000, 192–93). Later in a report sent to the Ministry of Defense on March 21, Ping Guo asserted that Taiwanese workers resented Mainlanders and had been preparing for the insurgency for a long time (Hou and Xu 2004, 585–90). Whether the volunteer militia was an incidence of ethnic uprising or authorized factory protection could not be precisely determined. The official study of the February 28 Incident contained both versions of the story, without attempting to resolve their inconsistencies (Executive Yuan February 28 Incident Research Group 1994, 121, 123–24). Nevertheless, the truth was that order was maintained from March 4 to March 9 when the volunteer militia controlled the factory. There was no physical violence or plunder against Mainlanders. In addition, there were incidents of individual efforts to protect mainland officials. For example, one Taiwanese worker recounted how he hid his mainland superior in the house attic for several days (Petroleum Industry Retired Persons' Association 2006, 347).

The same discrepancies in interpretation existed in the sugar industry. The TSC official records revealed how Mainlanders experienced this great upheaval from their own perspective (Cheng 2008a; 2008b). First, at least in some places, workers' self-defense teams were formed at the request of their mainland leaders, who had already lost command of the factory guards. The TSC general manager, Shen Zhennan, indeed suggested that local subsidiaries could request Taiwanese staff employees to organize a committee to maintain order.[17] Second, some Mainlanders resented their temporary custody, which they deemed as "imprisonment" against their own wills. Last, some plundering of factories was allegedly the result of collusion between native workers and outside "bullies."

How can we explain workers' behavior during the island-wide uprising against the KMT? They evidently refused to join the uprising with radical insurgents. Some mainland officials' accusations of insider collaboration were tenuous. In a telegraph on March 26, Ping Guo claimed the local looters were "invited" by the volunteer militia, and their criminal attempts were prevented by the KMT soldiers (Hou and Xu 2004, 616–30). However, the extant archival data of the military unit close to the Kaohsiung Refinery did not document any engagement between looters and soldiers.[18] Clearly, the claim that workers' militia secretly collaborated with armed outsiders was false. Therefore, it was more or less the result of Mainlanders' prejudice and linguistic incomprehension—an unavoidable corollary at a time when rumors and fears reigned supreme. This accusation of collusion served a sinister purpose to deny the contribution of workers' factory defending and to incriminate them at a time when the KMT was systematically eliminating Taiwanese leaders.

In the attempt to protect mainland superiors, Taiwanese workers demonstrated a noticeable degree of ethnic consciousness. It was claimed that when the volunteer militia took control of the Kaohsiung Refinery, a banner "Taiwanese Refinery" was raised (Petroleum Industry Retired Persons' Association 2006, 266). Clearly, defending factories that provided the source of their livelihood was their primary concern. My interviewees at the Talin Refinery told a similar story with an explanation of workers' motives. According to them, it was a well-crafted measure designed to bet on both sides. As chaos reigned all over Taiwan, sugar workers were not sure about the final outcome of the conflict. Given their resentment of neocolonial predation, they chose not to risk their privileged positions vis-à-vis other Taiwanese people with any rash behavior against Mainlanders. In short, they steered a self-consciously cautious middle course. During the 1947 uprising, the class interests of native elites, observed by Steven E. Philips (2003, 141), led them to give shelter to mainland officials and to contain violence. Analogous reasoning could well apply to the workers in the nationalized factories. It was precisely their status as labor aristocrats that persuaded them to adopt a moderate strategy.[19]

Workers were able to form their self-defense militias and take control of their factories in such a short time because they had been trained with military skills during the wartime period, as the Japanese were preparing for the American invasion. During the chaotic transition after the Japanese surrender, some Taiwanese workers also organized peace-preserving corps in order to protect factory property from petty theft (Zhang et al. 1995, 62). With the collapse of the

KMT reign in the first week of March, Taiwanese workers simply reapplied a lesson they had already learned.[20]

Mainlanders and Taiwanese natives reacted in extremely different ways upon the arrival of the KMT army. For the former, Chinese soldiers were their life saviors who delivered them from mob violence. But the official records said nothing about the fate of the Taiwanese workers who were murdered and arrested by the army—a very curious omission here. In the so-called country cleansing, workers' self-defense teams that guarded sugar refineries were disarmed, and their members were arrested. In the P'ingtung [Pingdong] Refinery, two Taiwanese staff employees who had led the effort to preserve the refinery were captured by the soldiers (Taiwan Province History Commission 1991, 1: 142–43). At the Talin Refinery, mainland leaders negotiated with the military commanders and finally secured their release.

They were the luckier ones, but such was not the case for the workers at the Nanching [Nanjing] Refinery. On March 6, four Taiwanese workers were on a ride from Nanching to Chiayi City in a local merchant's car. They decided to take a Mainlander with them and escorted him to the downtown area for better protection. On their fateful trip, they encountered Chinese troopers and were forcibly halted. Apparently, the escorted Mainlander saw himself as being kidnapped and urged the soldiers to avenge him. Five Taiwanese escorts were tortured and executed on the spot in a merciless way. In the end, their families had to bribe the army in order to retrieve their remains (Zhang et al. 1994, 141–43; Executive Yuan February 28 Incident Research Group 1994, 313). The TSC archival data indicated that the escort trip was carried out with the approval of refinery management.[21] In the aftermath, the Nanching Refinery was regularly searched by the trigger-happy soldiers, who detained anyone who failed to please them. Workers were too scared to stay in the company residence (Zhang et al. 1994, 165–68).

On March 9, the KMT soldiers made a frontal assault on the Kaohsiung Refinery. Three members of the volunteer militia were killed on the spot, and 11 leaders, including Zhou Shi, were captured and tortured in prison. Zhou Shi was originally sentenced to death, while others were given two years in prison. They were all released at the end of 1947, and they never came back to the CPC (Huang 1994, 198–259). During their imprisonment, worker leaders had expected the mainland officials of the Kaohsiung Refinery to guarantee their innocence. Despite a personal request of an arrested worker's wife, Ping Guo refused to intervene (Hou and Xu 2004, 663). To add

insult to injury, he sent a letter to the court to outline the "crimes" committed by workers, including "their craze for independence"—an act of high treason in the eyes of the mainland officials (ibid., 678–85).

When the army stormed the Kaohsiung Refinery, many innocent Taiwanese workers were treated with brutality. A victim recounted how he was badly hurt by the revengeful soldiers and how his personal belongings were robbed (Xu and Fang 1994, 3: 313–19). An interviewed worker remembered how the soldiers robbed his watch, belt, and clothes. His dormitory was thoroughly plundered; even the floor mat was overturned in the search for valuables. Besides the personal losses suffered by Taiwanese workers, the refinery was also plundered by the soldiers. The management was threatened at gunpoint for more loot (ibid., 2: 49–50). The protectors turned out to be predators; ironically, the only property damage inflicted on the Kaohsiung Refinery was perpetrated by government forces in the name of maintaining the peace. In the official report, Ping Guo, who was so infuriated at his workers' supposed insubordination, mentioned the soldiers' plunder only indirectly. The KMT secret agents estimated that resources worth more than TD 10,000 had been taken away (Hou and Xu 2004, 17–21, 592–93, 597).

In the aftermath, the government sought to stabilize the workplaces of nationalized industry that had been torn apart by violence and military suppression. But a closer look at these measures disclosed the same ethnic discrimination. After the incident, many Mainlanders wanted to leave Taiwan. To persuade them to stay, the TSC raised the staff salaries but not the workers' wages. The NRC promulgated a rule to compensate the property damages and personal injuries for its mainland employees (Cheng 2008b, 29–32). But only a small group of Taiwanese workers were rewarded for their service in protecting sugar refineries (Lin 2002, 5–6). As for those who were murdered and arrested during the military suppression, the leadership of most SOEs simply ignored their existence or, worse, tried to incriminate them, as in the case of Ping Guo. The scenario of dutiful Taiwanese workers who risked their lives in defending factories being wrongly punished also took place in other nationalized industries, such as the Taiwan Power Company (Academia Sinica Institute of Modern History 1993, 85–86), the Railway Bureau (Academia Sinica Institute of Modern History 1993, 50), and the Sungshan [Songshan] Tobacco Factory (Zhang et al. 2006, 136–37).

Intensified ethnic tensions brought about the popular uprising and how the government managed its consequences further exacerbated the existing ethnic inequality. That the CPC Kaohsiung Refinery

management was eager to incriminate the volunteer militia, whose service had saved the factory from the native insurgents, while overlooking the KMT soldiers' atrocities and pillaging was a case in point. One month after the military sacking, even the CPC's top echelon in Shanghai wrote to Ping Guo to remind him not to discriminate against Taiwanese workers (Hou and Xu 2004, 660). The two-month massacre offered many chances for personal vendettas by Mainlanders. Chen Ake, the captain of the factory guards prior to the incident, was a notable case. According to the former members of the volunteer militia, he was escorted to the military base for his personal safety, but he returned to lead the soldiers to kill and arrest worker leaders (Xu and Fang 1994, 2: 14, 13, 29). There was a report that Chen deliberately fired gunshots both at the soldiers and at the volunteer militia during the night in an attempt to engineer an armed conflict (Executive Yuan February 28 Incident Research Group 1994, 124). After the incident, Chen was said to have had more Taiwanese workers discharged (Xu and Fang 1994, 2: 50), which was corroborated by the official documents (Hou and Xu 2004, 672). Like many Mainlanders who exaggerated their property loss in their application for compensation, Chen filed a demand for TD 106,500 but was granted TD 70,000 (Hou 1997, 1: 142, 147). Many years later, Chen Ake was said to have fled to China for a certain wrongdoing.[22]

With the traumatic conclusion to the incident, the neocolonial order of ethnic inequality was further consolidated. During the incident, Taiwanese political leaders had raised the demand to install natives as the heads of public enterprises (Executive Yuan February 28 Incident Research Group 1994, 64, 69). In April 1947, the Control Yuan of the Nationalist Government suggested several measures to deal with the aftermath of the incident. Among them, there was the recommendation to promote wage equality among the Taiwanese and Mainlanders (Chen 1992, 1: 294). Clearly, judging by how the NRC management reimbursed the losses of its employees, even such a moderate suggestion was not implemented.

In terms of working class formation, the February 28 Incident also dealt a devastating blow to Taiwanese workers. The fact that workers organized to defend their factories rather than joining the ethnic uprising showed that they embraced a certain identity, which was not shared by their ethnic compatriots. What could that identity be? The evidence I gathered indicated that it was likely their consciousness as labor aristocrats, which differentiated them from students and overseas-repatriated soldiers, who constituted the main force in antiregime insurgency. The repression of the militia

decimated worker leaders and demonstrated the futility of their moderate course. While many workers were bludgeoned into submission, there were some workers who were willing to adopt a more radical strategy.

Underground Insurgency: A Failed Communist Revolution in Taiwan

The KMT government blamed the outbreak of island-wide rebellion on the instigation by communist insurgents, and this explanation was widely accepted by the NRC officials who had firsthand experience of communist infiltration in their mainland careers. However, prior to the incident, the Chinese Communist Party (CCP) had only recruited roughly 70 members in Taiwan, and its numerical inferiority and organizational weakness prevented it from playing a significant role in the incident. Ironically, the bloody suppression of Taiwanese demands for autonomy ended up facilitating the growth of the clandestine organizations. Just as Goodwin (2001, 245) has stressed, the indiscriminate repression often emasculated the moderate opposition, creating an ideal situation for die-hard revolutionaries.

At the end of 1947, the CCP already possessed more than 300 members (Ceng 2009, 70; Taiwan Province History Commission 1998, 2: 60). Obviously, how the KMT regime dealt with the 1947 uprising further alienated the Taiwanese people, and a significant proportion of them became so disillusioned with the Nationalists that they became a congenial audience for the CCP's message. In March 1948, as the anniversary of the 1947 massacre approached, the underground communists distributed leaflets to commemorate the event and encourage Taiwanese people to avenge the deceased (Lan 2003, 273–74). The KMT's classified documents confirmed the impact of the February 28 Incident (Guo n.d., 48).

Initially, the CCP's organizational strength was primarily limited to the remnant communists who had survived the colonial red purge in the early 1930s and a small group of expatriates who had joined the party in the mainland prior to 1945. Afterward, the CCP's Taiwan Province Work Committee (*taiwansheng gongzuo weiyuanhui*) was finally able to build its mass basis beyond the narrow circle of intellectuals. The communist cadres were especially successful in organizing Taipei City bus drivers and the Post and Communications Bureau workers. Under their leadership, the former staged a strike in the winter of 1948, and the latter held a protest demonstration in March 1949.

The case of the Post and Communications Bureau was particularly indicative of the fact that ethnic inequality became a co-optable resource for the communists. According to KMT sources, two mainland CCP cadres, Ji Meizhen and Qian Jingzhi, infiltrated the labor union of postal workers in September 1946, under the guise of teaching Mandarin, and were able to establish an underground cell the following year. But how did mainland cadres manage to win the support of Taiwanese workers amid the strained ethnic relations? According to the court-martial verdict: "[They] made use of the differential treatment of Mainlanders and Taiwanese workers and encouraged the latter to struggle for equality and better treatment. In so doing, they searched for the activists, evaluated them, and encouraged them to join the party. They directed activists to campaign for union directors and supervisors in order to use legal positions to serve the needs of employees" (Taiwan Province History Commission 1998, 2: 98–99).

Ji and Qian were executed in 1950; the surviving workers who had served between 7 and 15 years in prison during the White Terror corroborated the account. A person recalled that he had tried to study Mandarin in the first place because he was bothered by unequal pay. Since Taiwanese workers were blamed for their inability to speak Mandarin, he was told to master the "national language" in order to obtain better treatment. He was later shocked to find that the travel fee for Mainlanders was already equal to his wage, which clearly indicated that the linguistic incapability was an excuse for ethnic discrimination (ibid., 2: 114). Taiwanese workers were also particularly enraged by their treatment as "temporarily retained" (*liuyong*) despite their longer tenure since the colonial period, whereas mainland newcomers were immediately incorporated into the permanent workforce (Wang 1999, 148). Another person recalled that he had begun to read communist literature because of his discovery that Mainlanders received five times more in wage adjustments. At that moment, Ji encouraged him to play a more assertive role in the labor union because it was legitimate to struggle for equality (Taipei City History Commission 1999, 356).

The exposure of the communist organization in the Post and Communications Bureau in 1950 eventually led to the arrest of 35 persons. From the available records, it is clear that some frustrated Taiwanese workers in SOEs became CCP supporters. Similar scenarios can be found with the Taiwan Fertilizer Company Kaohsiung Plant (ibid., 198), the Taiwan Tobacco and Wine Monopoly Bureau Taipei Branch (ibid., 42–50), the Railway Bureau Taipei Branch (ibid., 395), the Sungshan Sixth Machinery Factory (ibid., 407–8), the CPC Miaoli Refinery (Taiwan Province History Commission 1998, 4: 170), and

the Ilan [Yilan] Zhongxing Paper Mill (Dr. Chen Wen-chen Memorial Foundation 2002, 20). This is but a partial list of the organizations that the KMT security agents were able to find and persecute, but numerous others remained undetected.

Taiwan's sugar industry and its workers were also involved. Again, the rich endowment of resources in sugar refineries was strategically important for communist insurgents. There was one communist college student, who was later sentenced to death, whose "criminal" activities included "investigating the situation in sugar refineries to prepare for the communist takeover" (Xu 2008, 127). In May 1950, the KMT regime discovered a communist organization in Matou Township. Among the 36 arrestees, 17 worked in the local sugar refinery. The official verdict stated that these workers claimed to "defend workers' positions and raise wages." And they "mobilized workers to protect factory property for the peaceful transfer to the CCP army" (Xu 2003, 382). The available oral-historical record from the survivors confirms the existence of worker resentment and the attempt to protect the factory (Jiang 2001, 77–80; Taiwan Province History Commission 1998, 3: 59). Another communist cell in Yüching [Yujing] Township was rounded up in August 1950. The employees at the local refinery made up 5 out of the 20 arrestees. Among three death sentences, two were dealt out to refinery policemen who were reported to have sabotaged from within on the occasion of the communist invasion (Jiang 2001, 151–52). In February 1952, KMT security agents raided the Hsinying Refinery and arrested six employees. This was a case with 29 communist suspects involved. One refinery worker was put to death, while two others were sentenced to five years in prison (ibid., 208–11). There were other TSC workers individually implicated in the underground communist organizations that were mushrooming all over Taiwan in the late 1940s and early 1950s.

A group of workers at the CPC Kaohsiung Refinery set up an underground communist cell in October 1950. The organization was code-named "the pork club" (*zhurouhui*) because Taiwanese people referred contemptuously to the mainland neocolonizers as "pigs." In June 1951, the security agents rounded up 11 refinery workers and another worker from the nearby cement factory. The court-martial verdict stated that these activists were spreading the message that communists would improve workers' lives and circulating propaganda literature. Originally, 4 workers were given the death penalty while the other 8 were sentenced to between 2 and 14 years. The presidential office, however, demanded a harsher punishment, and as a result 8 workers in total were eventually put to death.[23]

Figure 3.2 The tomb of Cheng Ritang, a Huwei Sugar Refinery worker executed in 1952.

Permission by Ming-sho Ho.

According to the verdict, Chen Ritang joined the Communist Party in October 1949. He took part in the clandestine meetings to discuss class struggle and rural poverty in the sugar refinery dormitory. He was captured in September 1951 and put to death at the age of 25 in August 1952. The tomb is located in Liuchangli [Liuzhangli] cemetery of Taipei, where many victims of White Terror were hastily buried in the early 1950s.

The historical excavation of Taiwan's White Terror period is just beginning, with many lacunae and puzzles remaining to be answered. In addition, there is an established consensus that quite a number of innocent victims were wrongly accused, persecuted, and even executed in that chaotic era. Still, the above descriptions of underground activism are confirmed by the surviving participants' own accounts

after they were released from prison.[24] Triangulating official archives and various participants' personal accounts, we can reconstruct a picture of revolutionary working class activism in the late 1940s and the early 1950s, as follows.

The suppression of the February 28 Incident radicalized the Taiwanese working class. Prior to the incident, workers avoided confrontations with the government, and instead they worked to protect Mainlanders and industrial facilities during the great upheavals. After the bloody suppression, the most conscious workers were ready to embrace a whole new ideology by voluntarily joining or aiding the revolutionary movement. Communism, which was an intellectual fascination among educated Taiwanese people in the colonial era, crossed the class barrier and was fervently embraced by working class members.

It is apparent that this ethnic cleavage affected the CCP's mobilizing strategy. Government documents identified the CCP's two-pronged strategy of party work (*dangwu*) and secret work (*tewu*) (Guo n.d., 59–60). Party work aimed to build the mass basis by recruiting Taiwanese agents, whereas secret work targeted Mainlanders in order to collect information and persuade them to defect to the communist side. These two mobilizing strategies worked independently, often without mutual knowledge. When the KMT began to clamp down on communist rank-and-file workers, its security agents also kept a watchful eye on the top SOE leadership. In June 1950, general manager Shen Zhennan and more than 20 employees of the TSC were arrested and charged with using company resources to aid the communist rebellion. Shen and his personnel office director were executed, while another 12 officials were sentenced to prison (Qiu 2007, 162–63). All those involved in Shen's case were Mainlanders in the top echelon of the TSC, whereas those who were arrested in the Matou, Yuching, and Hsinying cases were all Taiwanese natives and mostly operatives. Evidently, the communist cells at the top and at the bottom of the TSC hierarchy were operating independently. The CCP found a way to infiltrate Taiwan by addressing the grievances particular to each sector in a segregated manner. Hometown nostalgia and the appeal of Chinese nationalism were used to win the allegiance of Mainlanders in management; for Taiwanese workers, the CCP promised their vision of ethnic equality.

Following its battleground success in northern China in late 1947, the CCP envisioned a military strategy to conquer Taiwan, rather than a political revolution from within. Its cadres were instructed to expedite the construction of guerilla bases in remote areas and to control

the crucial transportation industry (Hu and Lin 2003, 113). But for workers in the manufacturing sector, the CCP directive was mainly to secure the production facilities, rather than to carry out subversive activities or sabotage. The emphasis on preservation was a reaction to the KMT's practice of destroying factories after its military defeats. In mainland China, the CPC's oil fields and refineries in the northwest were left intact due to the collective defiance of government orders by management and workers (Hou and He 1993, 59)—very likely instigated by communist agents. According to a communist leader who was responsible for recruiting industrial workers in Kaohsiung:

> We told the workers to protect their factory because the "factory is ours." Otherwise the bandits [the KMT] would destroy and burn it. After liberation, the factory will belong to the workers and the people . . . We did not talk about employer-labor relations or class relations, and what we did was to act in accordance with the People's Liberation Army because we enjoyed military predominance then.[25]

As a result, communist workers in Taiwan were not armed combatants, and neither did they launch a campaign to seize power within the workplace. Their activities were mostly restricted to recruiting, organizing, and preparation. Precisely because the act of defending their factory fitted with the repertoire of previous workers' activism both during the chaotic transition from colonial rule and the February 28 Incident, the CCP found unexpected resonance among Taiwanese workers.

The KMT came to be aware of the alarming presence of communists in Taiwan only in the latter half of 1949. An energized effort to eradicate communist suspects then began. With the outbreak of the Korean War in June 1950, the KMT had secured the water-tight isolation of the island by cutting off liaisons across the Taiwan Strait. One by one, communist organizations were destroyed, leaders captured, and followers jailed. By 1953, the KMT was already able to boast "victory on another front" (Zhang 1953), in other words, the virtual elimination of communists in Taiwan. An estimate for the number of people captured or killed by the KMT for involvement in clandestine activities related to the CCP's Taiwan Province Work Committee in this period puts it at 2,138 persons (2,050 Taiwanese and 88 Mainlanders) (Lin 2009, 153).

The security regime imposed by the KMT following the February 28 Incident played a critical role in suppressing underground activity. Immediately after putting down the native uprising, the NRC decided to reorganize their police force. In September 1947,

the Taiwan Industry and Mining Police Brigade was set up, and its 2,500-plus men were recruited from retired soldiers from the mainland. The officials were determined to build up an exceptionally large security force to prevent the recrudescence of native revolts. Thus, among the 27 NRC staff members stationed at the Taiwan branch at the time, 10 were police officers (Xue 1995, 2: 8). In 1950, the TSC employed 4,493 staff, 16,440 operatives, and a further 1,346 policemen (Second Work Team of Shanghai City Committee Chinese Communist Party 1950, 68–69, 93, 111–12, 134). In other words, more than 6 percent of the personnel on the TSC payroll were hired with the specific purpose of controlling their coworkers.[26]

In 1949, as the KMT government made its final retreat to Taiwan, the Industry and Mining Police Brigade was merged into the centralized command and regrouped as the Second Peace Preservation Corps. The security of SOE was among priority considerations for officials. In 1954, 18 percent of national policemen were dispatched to guard these production units that could generate cash revenue for the regime (calculated from Ho and Zhang 1970, 76–77). Such heavy policing made the workplace a high-risk environment for workers' revolutionary activity.

Ethnic Domination Consolidated

In the early 1950s, another wave of replacement of Taiwanese by Mainlanders took place. Under pressure from the United States to trim its bloated armed forces, the government began to demobilize soldiers and reinstall them in civilian sectors, including SOEs. From 1952 to 1970, the TSC was ordered to maintain a fixed quota of 1,460 jobs specifically reserved for these veterans, or 9.5 percent of its total workforce in 1967 (TSC 1971, 44, 49). Furthermore, at the same time as the TSC managed to hire mainland ex-soldiers, it was also instructed to downsize its swollen payroll. In a radical move in 1954, the TSC cut its total employees from 21,731 to 16,218, or a hefty 25.4 percent reduction. A closer look at the distribution of the dismissed persons is instructive. Operatives represented 72.1 percent of the workplace, but made up 86.8 percent of the employees cut.[27] There was already an ethnic polarization of Mainlanders as staff members and Taiwanese as operatives. For instance, the 1957 data shows that Taiwanese employees comprised 63.4 percent and 96.9 percent of TSC staff members and operatives respectively (TSC 1957, the author's calculation). Their higher concentration as operatives meant that Taiwanese were more likely to be dismissed in the entrenchment.

The laid-off workers staged many protests to keep their rice bowls, but their efforts failed ultimately.[28]

Taiwanese workers were the first to be fired, while Mainlanders were the first to be hired. The early 1950s downsizing of TSC manpower further enhanced Mainlanders' dominance at the expense of Taiwanese. To add insult to injury, the remaining TSC workforce had to pay NTD 10 monthly to finance the severance pay—a widely unpopular contribution that continued well into the 1970s. However, the demobilized mainland soliders were conspicuously exempt from this obligation. In responding to the complaint of rank-and-file workers, the TSC maintained that they "had served in the army for life [sic]" and consequently did not have to shoulder this burden.[29]

Most of the ex-soldiers did not possess the necessary industrial skills. By having them reemployed in the SOEs, the government saved on military expenses but, at the same time, reduced the efficiency of the nationalized industries. A TSC manager acknowledged the difficulties in assigning ex-soldiers to suitable positions, and a subsidiary unit with a high concentration of them was expected to perform poorly.[30] Besides the additional channel to hire Mainlanders, there was a specialized promotion examination that aggravated the ethnic disparity.[31] As late as the late 1970s, Yang Qingchu, a worker-novelist at the CPC Kaohsiung Refinery, documented the visible ethnic tension in the workplace. Taiwanese workers were embittered over the favorable treatment of mainland ex-soldiers. Many well-qualified Taiwanese had to work as temporaries for many years before they were incorporated into the regular workforce, but ex-soldiers were instantly hired the moment they retired from the army even though they were inexperienced and unskilled (Yang 1978a, 165–67). Since the management mostly consisted of Mainlanders, the ex-soldiers could easily use their ethnic ties to obtain promotion or transfer from workshop to air-conditioned office—another grievance for Taiwanese workers (Huang 1991, 74).

Ethnic inequality was more evident in the distribution of top managerial positions in the SOE. Table 3.1 presents the ethnic composition of the TSC's first-rank supervisors (*yiji zhuguan*).

The table indicates the persistent underrepresentation of Taiwanese among the TSC upper echelons. Prior to the 1980s, less than 10 percent of first-rank supervisors were Taiwanese. The same situation went for the CPC. Yang Qingchu asserted that at the Kaohsiung Refinery in the 1970s, there was not even a single Taiwanese employee allowed to occupy the 130-plus positions of subsection chief and above.[32] It

Table 3.1 Ethnic composition of the TSC's first-rank supervisors (1950–84).

	1950	1958	1965	1974	1984
First-Rank Supervisors	53	53	63	58	51
Taiwanese First-Rank Supervisors	0	3	2	0	7
Percentage	0	5.7	3.1	0	13.7

Source: (1) The 1950 and 1965 data are based on "The TSC (1950/6)" (file number 35-25-01a-061-001-01) and "The Staff List (1965/2)" (file number 24-20-02-026-02), the TSC documents, the Archives of the Institute of Modern History, Academia Sinica. (2) The 1958, 1974, and 1984 data come from *Jingjibu ji suoshu jigou chanwei zhu guan yishang renyuan tongxunlu* [The Contact Book for the Supervisory Personnel and above in Ministry of Economic Affairs and the Affiliated Units] (1958/12, 1974/7, and 1984/12), the Shanhua Refinery Archives.

Note: The table here includes only the supervisory positions in the company headquarters, excluding those in the local subsidiaries.

wasn't until 1987 when the first Taiwanese person was appointed to head the Kaohsiung Refinery and until 1993 for the first Taiwanese president of the company.[33] In fact, there were widespread rumors of Mainlander old guards' opposition to appointing Taiwanese people to these positions. When the directorship of the Kaohsiung Refinery fell into Taiwanese hands, a major CPC expansion project encountered a strong antipollution protest by the neighboring community (Ho 2005). A widely circulated rumor asserted that the Mainlander management had deliberately divulged the information in the hope that a protest would sabotage the appointment. Likewise, before the first Taiwanese CPC president took office, there was a mysterious fire in the company headquarters, which destroyed many classified documents. A CPC engineer who served as a DPP national assemblyman at the time claimed that the incident was politically motivated on the part of ultraconservative Mainlanders.[34] Such a view was supported by the contemporary journalistic observation that the Ministry of Economic Affairs, which supervised the SOE, was extremely cautious when appointing Taiwanese people to replace the mainland officials (Kou 1992).[35]

The top management of Taiwan's SOEs had become an exclusive enclave for Mainlanders. In the 1970s, the KMT regime had to appoint more Taiwanese people to leading political positions in order to boost its shaky legitimacy following a diplomatic crisis over being forced out of the United Nations (Hood 1997, 64–69). The SOE indigenization came two decades later. Clearly, its secluded nature

helped to preserve the ethnic privilege, which only began to erode as democracy took root in Taiwan.

The Choice of Taiwanese Labor Aristocrats

The question of how Taiwanese workers dealt with the neocolonial ethnic order remains to be answered. The costly consecutive defeats for activism had dampened the willingness among the working class to undertake proactive action. To use Hirschman's (1970) term, the "voice," or the public expression of dissatisfaction to facilitate a change, was practically impossible by the mid-1950s. Nevertheless, discontented workers still had the option of "exit" by leaving the SOE permanently. Since Mainlanders' dominance was mainly restricted to the state-controlled sector of economy, getting one's career restarted in private business implied no less than a refusal to be allocated to inferior status. Such drastic choices, however, took place very rarely. Only a few interviewed workers had witnessed coworkers resign of their own volition, and this move was frowned upon as unwise. A notable exception was Zhuang Junming, who founded and led the Far East Machinery Corporation, which became one of the major machinery producers in Taiwan. Before 1945, Zhuang was a college-educated engineer working with a Japanese company whose clients included several sugar refineries. In 1946, he was appointed by the KMT government to be a takeover official to oversee the transition of six factories in the Chiayi area. Unlike his colleagues, Zhuang was noted for his exceptional integrity by "not taking the assets as his own, but returning them to the government." Later he was hired as a subsection chief in the CPC Chiayi Chemical Solvent Plant. Zhuang decided to leave the CPC in 1948 and start his own business (Chiayi City Government 2004, 363–65; Zhuang 2009).

Instead of voice or exit, the majority of Taiwanese opted for "loyalty"—that is, staying patiently in the hope that the situation would ameliorate. Why was loyalty the most popular response? Furthermore, many SOE workers were second-generation workers. If there was nothing inherently attractive in SOE jobs, why did parents encourage their children to take on the same career path?[36] Huang Qingxian, president of the Taiwan Petroleum Workers' Union (1998–2003), began to work for the CPC when his father and elder brother were already in the same company. Yang Qingchu, the worker-novelist, was given a CPC job following his father's death in an industrial accident in 1961. In fact, the longer history of the sugar industry enabled some

families to have three generations working in the same refinery. Quite similarly to what Walder (1984, 58) observed in Chinese industry, the father-to-son succession had been established as an acceptable practice.

The plain truth was that the SOEs offered a secure and easy job with perks that were unavailable in the private sector, if one could swallow the nuisances of ethnic discrimination and political surveillance.

In the early postwar era, many SOEs operated as monopolistic businesses, and they did not have to squeeze their employees for more profits. Poor performances were tolerated and seldom resulted in dismissal. The well-supplied company residence with a full range of services promised a lifestyle that went beyond the reach of average Taiwanese. Outsiders' envy was often a theme among senior TSC workers: "At that time, sugar refineries offered many benefits including cheap movies screened at Sun Yat-sen Hall, free shuttle buses to the downtown area, and a swimming pool. The co-op sold inexpensive daily necessities. There was a public bathroom, a restaurant, a clinic, an ice shop, and a launderette; in a word, we had everything that made Chiaotou locals outside the refinery jealous" (Kio-A-Thou Culture Society 2002, 104–6).

The colonial legacy of company welfare continued to be alluring even in the postwar era. These remarks show that TSC workers were entitled to many company benefits that could not be purchased from the market. In the 1950s, swimming pools and movie theaters, for example, were considered a luxury that was only available in big cities.

A TSC job also came with better education opportunities for workers' children. Prior to 1967, the TSC maintained up to 16 primary schools exclusively for the offspring of its employees. Since these schools operated on company money, they provided better education than regular public schools. While Taiwan's compulsory public education was never free of charge, the TSC schools not only waived the tuition fee, but also provided free lunch (Chen 1968, 15–16). For secondary education, the TSC also established a high school at Hsinying in 1947.[37] In the beginning, it provided free and universal admission to the children of TSC employees—an enormous advantage given that Taiwan's compulsory education did not extend to junior high school until 1968. For college students, the TSC provided free dormitories in Taipei City and Tainan City (Ibid., 49).

TSC employment assumed a quasi-hereditary quality as workers' kids grew up in the company residence, attended company schools, and afterward obtained a TSC job upon their parents' recommendations. My interviewees often joked that only losers would stay in

sugar factories. They were right in a sense; if their children could make it to college and get started in a professional career, they would leave for good; otherwise, the TSC never failed to provide a safety net for those who failed to climb above their fathers' social status. There was practically no chance of downward mobility for the sons of TSC workers.

Company welfare did not terminate with the end of tenure. Operatives were legally required to retire at the age of 60, but their entitlements continued. Retired employees remained living in the company residence until it fell into disrepair in recent years. The TSC even subcontracted some of its operations to a nominally independent company (*tangfu*, or sugar welfare), which hired ex-TSC workers exclusively.[38] Literally speaking, a TSC worker was allowed to live at the company residence for as long as he liked. A former TSC president argued:

> If you worked in a sugar refinery, you were guaranteed to a house acceptable by contemporary standards. There would have been a garden for you to plant flowers or raise chickens. If the school was not nearby, the refinery would take care of busing your kids. Useful but not luxurious commodities were available in co-operatives. The dining hall was probably the best restaurant in the vicinity, so you treated your visiting friends to dishes and drinks. Besides, there were all kinds of training programs designed for the idle time of the off-season for personnel as well as for their wives. These were isolated environments in which colleagues used to work together in other plants, or they were former acquaintances in a previous training program. There was no loneliness here, so people came but never left. (Wang 1992, 192).

So back to the question of why the majority of Taiwanese workers chose to be loyalists; the answer was the exit cost, or more precisely, the opportunity cost of giving up the cradle-to-grave welfare was too high. Workers' benefits were more like privileges pertaining to their tenure that were unavailable through market channels. The guaranteed free passage to secondary education for one's children when others had to take the competitive entrance examination, for example, was not a commodity up for sale. Therefore, by collaborating with neocolonialism, Taiwanese workers joined the ranks of labor aristocrats whose enviable living standard set them apart from the rest of the working class. By this calculation, ethnic discrimination was but the necessary membership fee to join this exclusive club; it was certainly not pleasant, but nonetheless affordable. After all, they had become accustomed to their Japanese colonizers before 1945; now with their

leaders decimated and hopes dashed by the postwar repression, they had but to readjust to their previous role.

Conclusion

Kirby (1989, 1992) has argued that there existed an often neglected continuity between China's republican and communist eras. By focusing on the NRC elite officials, he was able to prove that a cohort of well-educated pre-1949 technocrats continued to manage economic affairs on both sides of the Taiwan Strait in spite of the great political separation and regime change.

This chapter discovered another pattern of continuity across the 1945 divide, not in the lineage of elite Chinese economic officials, but rather in the rank-and-file Taiwanese workers. My findings challenge the overtly positive picture of the NRC technocrats in their postwar behavior. They were directly or indirectly responsible for installing a neocolonial regime in postwar Taiwan. Despite their comparatively clean reputation in the mainland period, they were personally involved with a number of predatory practices, cronyism, and nepotism in Taiwan.

My bottom-up observation concurs with Wu (2005) on the need for a more realistic appraisal of Taiwan's postwar technocrats. There has been a tendency to idealize their macroeconomic helmsmanship in engineering the growth "miracle" without looking at their actual managerial practice at the firm level. Among the 15 ministers of economic affairs in 1950–88, there were 11 who had prior experiences in leading the SOEs, including 4 from the CPC and 1 from the TSC, according to my biographical research. That they had connived at venality, tolerated or fostered ethnic discrimination, and collaborated with party cadres (see the next chapter) gave rise to the proverbial inefficiency problems in Taiwan's SOE, thus undermining the economic rationality that they were supposed to exemplify by their hagiographers. Actually, some of more recent autobiographical writings, such as Deng (2005), were rather straightforward on the "political" issues in managing the SOEs. Thus while they were the inheritors of the technocratic vision of national development through science and technology, which was originally incubated in republican China and witnessed its flourishing in postwar Taiwan (Greene 2008), a balanced view would have to acknowledge this ideal was greatly compromised by the political realities. Assessing the policy role of elite mainland officials in Taiwan's economic development remains an issue in the ongoing debate; nevertheless, their failure to modernize and rationalize the SOEs and

the subsequent acceptance of neoliberal prescription of privatization signified the bankruptcy of the technocratic ideology (see chapter 6).

Moreover, there was a profound similarity regarding the subordination of Taiwanese workers in the period of Japanese colonialism and in the postwar era, in spite of the sea change of decolonialization and nationalization. In both cases, ethnicity was one of the principal cleavages that created an unbridgeable division among the working class. Taiwanese workers were largely confined to the bottom tier of the job hierarchy; they had to follow the commands of their Japanese masters first and then Mainlanders. Contrary to the naïve assumption of worker homogeneity as a precondition for their radical activism, it was precisely the internal divide that propelled them onto the course of revolutionary insurgency. After all, even though the ethnic division of labor was salient and the sense of ethnic injustice was acute, both Mainlanders and Taiwanese belonged to the same SOE workforce, which placed them in the same class position. Here, the ethnic conflict in early postwar Taiwan echoes Perry's (1993, 251) observation on Shanghai workers: "The very awareness of substantial differences among workers often encourages labor activism."

In the classical Marxian scenario, the spectacle of workers taking up arms to overthrow capitalism is thought to be the sine qua non of a successful working class formation. In Taiwan, revolutionary insurgency took place, but only under exceptional circumstances. Moreover, insurgent workers were not primarily motivated by socialism, despite the involvement of the Chinese Communist Party. Instead of overthrowing capitalism, revolutionary workers aimed to challenge the ethnic domination that came with the KMT regime.

Two rounds of bloody suppression rendered workers virtually choiceless. Attracted by secure employment and enviable benefits, they finally accommodated to the labor regime based upon ethnic difference. As quoted above, Fujiyama observed the great gap between Taiwanese and Japanese employees in his 1936 visit to Taiwan's sugar refineries. Supposed he were to come back a decade later, he might have noticed the same phenomenon except that the Japanese employees were replaced by Chinese ones. Ultimately, as Hechter (1975, 39) argues, colonialism is at its core a system of difference in which "those roles commonly defined as having high status are generally reserved for its members." The ethnic inequality between the Taiwanese and Mainlanders was firmly consolidated, thus creating a deep-cutting cleavage in the years to come.

Chapter 4

Politics of Partisanship: Party-State Mobilization and Ritualism

The early postwar era was a period of many ironies for Taiwanese workers. Without a socialist revolution, nationalization transformed Japanese conglomerate employees into state workers, who came to bear the full brunt of ethnic domination. Precisely when their revolutionary activism declined due to the government's repression, workers experienced a top-down process of Leninist penetration that enabled the party-state to exert total control over their daily lives. Partisanship, or one's willingness to comply with the KMT's ideological goals publicly, emerged as a new cleavage imposed upon a working class already divided by ethnicity. With the installation of the party-state in the factory, party cadres came to share power with technocratic managers. Loyalists were rewarded with material benefits for their KMT membership and collaboration in counterinsurgent control. The White Terror reign deprived nonconformists of practically any possibility of organized dissent, and hence they had to put on an outwardly submissive attitude to disguise their disagreement—a particular form of everyday resistance I analyze as *ritualism*. Basically, it was a defensive strategy to survive the regime's intensified security control as well as its insatiable extraction of loyalty.

The Party-State as an Institution[1]

Taiwan's authoritarianism has been characterized as a "party-state regime" (Dickson 1997; Hood 1997, 28–29; Wakabayashi 1994, 81–146), or "quasi-Leninism" (Cheng 1989), for its scope and depth

of political control. The KMT set up party branches in every nationalized workshop and then built many "front organizations," such as labor unions and women's mutual associations to oversee workers' everyday life. Front organizations had a critical function because they were "sensitive to the shifting requirements of local and temporary conditions, but firmly guided in whatever they were doing by the party's leaders" (Meyer 1963, 52). The universal implantation of party-state infrastructure had been an unmistakable characteristic of Leninist control, which gave the KMT incumbents an unusual degree of penetrating power that was not possible under military dictatorships in other newly industrializing countries.

The existing literature has mostly paid attention to the inhibiting functions of Leninist control. The martial-law regime suppressed dissent and prohibited strikes. Party members constituted a formidable informant network that silenced the rank-and-file workers. Token labor unions sponsored by the KMT party branch were a preemptive measure to prevent autonomous organizations from below. In a word, Leninism resulted in a "demobilized working class" (Hsiao 1992a, 155–56), or a "political exclusion of labor" (Deyo 1989b, 110).

However, such characterization looks at the repressive dimensions only and underestimates the combat ethos of Leninism, which aimed at more than preserving the status quo. According to Jowitt (1992, 1–4), the defining feature of Leninism was "charismatic impersonality"—in other words, the willingness to use advanced organizational principles to achieve a sacred mission. Party organization, the very epitome of Leninism, was simultaneously affective (comradeship) and instrumental (discipline), traditional (leader cult) and rational (commitment to development). Leninism practiced a holistic approach to mobilizing workers. Defying the modern public/private distinction, ruling elites sought to penetrate deeply into the nonwork life. It took more than working hard to be a model worker, and conformity with the demands regarding health habits, recreational activities, and thriftiness was deemed political loyalty. This meant that workers' off-duty hours were not their discretionary time but a vital resource to be devoted to a national purpose. Workers' dependents were not merely their private companions, but obligatory participants in political activities.

Selznick (1979, 114) has argued that Leninism was a powerful organizational weapon because it transformed "a diffuse population into a mobilizable source of power." Consequently there was no Leninism without the drive to recruit its citizens into campaigns. Political mobilization of labor served as a means to attain national

goals as defined by ruling elites. Workers were called upon to sacrifice their selfish interests, and idealistic patriotism was propagandized. National goals were not remote ideology but an everyday reality that needed to be coped with. The description of Hungarian workers under communist rule is also suitable here in that "people live in two worlds: an ideological world and a lived world. But they are both real" (Burawoy and Lukács 1992, 82). The KMT's Leninism, therefore, gave rise to a powerless working class, but not because of their distance and marginalization from the power center; on the contrary, workers were forcibly integrated into a control structure and mobilized involuntarily.

During the 1920s, a period of internal struggle, the KMT's right-wing faction fashioned an ideology regarding mass movements. Workers, peasants, women, and other social groups had to be organized in the mission of national revolution. The party had the obligation "to lead the masses, train them and even prescribe what was in their best interests and that of the nation" (Dirlik 1975, 46–74). Throughout its mainland era (1918–49), the KMT failed to implement this vision thoroughly due to civil war, factional strife, and the Japanese invasion. After its withdrawal to Taiwan, a ripe moment presented itself. During its reorganization (1950–52), the KMT made a concerted effort to penetrate the native society by establishing subsidiary units, including party branches and public service stations (*minzhong fuwushe*) staffed with ideologically trained personnel (cadres, commissars, and cell leaders) (Kung, 1998).

The KMT's Leninism aspired after total domination of the citizens under its tutelage. Reflecting on the military defeat, Chiang Kai-shek pointed out the twin vices of formalism and bureaucratism that "limited party work within the party branch without developing it among people" (KMT Central Reorganization Commission 1950, 15). The solution was to tear down the barrier between the political and nonpolitical spheres by thoroughly integrating the party with society. The goal consisted in rebuilding the party as a disciplined and unified "combat unit" (*zhandou tizhi*) (KMT Central Committee First Division 1957). Such militarist language was by no means merely rhetorical, but rather defined the ideal form of a regenerated KMT. Chiang compared party cadres and members to the rank-and-file leaders of mobile troops, who had the duty to "penetrate the masses, dispatch them, and guide them in the battle" (KMT Central Committee First Division 1956, 4–5). Even the party members were referred to as "party combatants" when they carried out routine tasks, such as organizing, propaganda, and social survey (Hu et al. 1984, 15).

As the following section will show, Taiwan's state workers were placed in a highly militarized environment in the 1950s.

Disciplined cadres were trained to function as the backbone of the party. Theoretically, ideological devotion was the first criterion for being a cadre. As characterized by Chiang, a cadre was a "warrior who put his life and liberty for the service of the party" (KMT Central Committee First Division 1956, 4). Cadres were distinguished by their total commitment and readiness to sacrifice themselves for the party, which however turned out to justify their preferential treatment in the factory, as the following analysis indicates.

The building of party-state infrastructure necessarily gave rise to a "politics-in-command" situation, in which the political goals were overemphasized at the expense of other values in decision making. The installation of political workers in the SOEs eroded the autonomy previously enjoyed by managers and engineers, whose performances were now also evaluated by political criteria, rather than by economic output alone. A high-ranking KMT cadre vehemently denounced the "misconception of neutrality" among managers because it was wrong to think that politics had nothing to do with production.[2]

In short, the party-state emerged as an institutional rule imposed upon a working class already divided by ethnicity. Ideally the KMT would have liked to thoroughly rearrange social relations in terms of ideological commitment, by placing cadres, party members, and finally nonmembers in descending order. Leninism necessarily stipulated a new division between political insiders and outsiders, thus engendering a politics of partisanship among the working class.

BUILDING THE LENINIST INFRASTRUCTURE IN THE WORKPLACE

The military setback in the Chinese Civil War ironically lent Chiang Kai-shek a precious opportunity to reassert his personal authority within the party, simply because many dissenting faction leaders did not flee to Taiwan. In March 1950, Chiang resumed the presidency he had been forced to abandon a year before, and the KMT's reorganization campaign was launched in July. Nevertheless, before the KMT was able to recruit a mass following in the factories, it first needed to put its own house in order. First, party cadres needed to be able to break into the SOE enclaves that were exclusively controlled by the NRC technocrats. Secondly, with the pervasive Taiwanese resentment, as well as the lurking communist threat, the KMT had to

step up its security apparatus so that workers and managers could be closely monitored.

Managerial Autonomy under Assault

During the wartime period, NRC officials, who enjoyed the personal trust of Chiang Kai-shek, had persistently resisted the encroachment upon their managerial autonomy. In the oil-refining plants of northwest China, which were incorporated into the CPC in 1946, the NRC opposed the proposal of unionizing its workforce under party leadership and finally conceded by setting up the employee guidance committee (*yuangong zhidao weiyuanhui*), whose function was limited to issuing newspapers and welfare provisions. In negotiations with the KMT Central Organization Department, the NRC secured the privilege of selecting its own party members and representatives without outside interference (Kirby 2000, 151; Sun 1993a, 46).

As soon as the war ended, the KMT, under the "Central Club Clique"'s (usually referred to as CC Clique) command made a renewed attempt to bypass the NRC to recruit worker members directly. The NRC countered by establishing employee encouragement societies (*yuangong lijinhui*) in all the production units under its supervision, including the newly acquired industry in Taiwan (Chen 2002, 237). During this period, the employee encouragement society functioned like an amalgam of a mutual-help welfare society and a party branch. It was responsible for retailing services, sports, and entertainment, as well as loans for employees,[3] and at the same time, it also offered Mandarin courses for Taiwanese workers and conducted political education.[4] Even though the NRC officials managed to ward off infringement by the CC Clique with this tactic, they still had to face the pressure from another contending bloc, the Political Science Faction, which monopolized the governing positions in Taiwan. In December 1947, the Taiwan Provincial Government decreed that employee encouragement societies were illegal and should be immediately reorganized into welfare committees. One year later, it demanded the establishment of labor-efficiency promotion societies (*laodong xiaolu cujinhui*) in the SOEs. Both times, the NRC officials remained adamant in their refusal (Xue 1995, 3: 163–64, 256–57).

The jealously guarded autonomy of the NRC technocrats began to crumble with the KMT's military fiasco and eventual retreat to Taiwan. Assuming that the KMT lost the civil war because it was less unified than its communist rival, Chiang Kai-shek was determined to

eradicate the fifth column hidden in the officialdom. It was in this context that the loyalty of NRC officials became dubious in the eyes of political leaders.

As early as January 1949, NRC officials in Nanking defied Chiang's order to dismantle five factories and relocate their machinery to Taiwan (Sun 1993b, 82–83). Before the KMT's final evacuation from the mainland, many NRC managers defected to the communist camp by negotiating a peaceful reception of the People's Liberation Army (Kirby 1989, 37). Weng Wenhao, who served as the first CPC president, eventually decided to accept the communist invitation to build a "new China." During that chaotic transition, the CPC office in Shanghai was so thoroughly infiltrated by communists that general manager Zhang Zikai even had difficulties commanding his personal chauffeur. After Zhang came to Taiwan, he insisted on resigning his CPC position in order to stay away from political troubles (Deng 1995, 32–34).

While the CPC's top echelon escaped unscathed from the anticommunist purge, the TSC management underwent a tormenting ordeal. The case of the TSC's general manager, Shen Zhennan, in 1950 has been analyzed above. One of the implicated TSC managers "confessed" that he deliberately used the employee encouragement society to cultivate good feelings among Taiwanese workers (Cheng 2008, 31). Obviously, the NRC officials' considerable latitude to operate their party branches unsupervised became a piece of incriminating evidence against them.

When Shen was executed in 1951, Chiang Kai-shek issued a directive to the Central Reorganization Commission to call attention to the fact that "communists crept around in SOEs" (KMT Central Committee Secretariat 1952, 309). The KMT ordered its industrial party branches to discover and report underground communist organizations (ibid., 457). In particular, the case of Shen Zhennan was deemed as instructive, hence "the party should examine the actual working of productive and economic agencies" (KMT Central Reorganization Commission Cadres-Training Committee 1952, 14).

The fact that technocrats were suspected and victimized in the early 1950s meant the party cadres grew more influential. The era of NRC officials' exclusive autonomy to operate their factories independently was irretrievably lost. The KMT Central Reorganization Commission announced the new principle that party cadres would supervise managers: "The party should monitor and examine the degree to which each level of governmental, production and transportation agencies

implement policy. The party has the power to demand that comrades with political positions report on how they work, and correct their errors" (KMT Central Reorganization Commission Cadres-Training Committee 1951, 3).

In order to consolidate the power of party branches, a joint meeting by managers and party cadres was to be held regularly, in which the former was in charge of executing the conclusions, while the latter had supervisory powers (KMT Central Committee First Division 1954, 14–15). Beginning in 1958, a system of political inspection (*zhengzhi kaohe*) of management was promulgated. Party cadres were authorized to evaluate the performance of SOE managers. The score was composed of political thought (30 percent), execution of party decisions (40 percent), and participation in party activities (30 percent). The results of political inspections were kept confidential and reported to the KMT directly.[5]

With their political defeat, managers continued to supervise the daily operation of nationalized industry; however, the decisions over personnel, party work, and company welfare fell under the jurisdiction of the party cadres. A new pattern in the division of labor emerged in that managers served as the head commissioners (*zhuren weiyuan*) of the party branch—a titular role whose function was limited to presiding over meetings, while leaving most powers to full-time cadres who occupied the secretary (*shuji*) positions. In 1953, party branches in SOEs were reorganized under the Taiwan Area Industrial Party Branch (TAIPB), and the TSC and the CPC were designated as the 1st and the 7th Division, respectively.

The ascendancy of political workers vis-à-vis technocrats made possible the capture of the employee encouragement society and its transformation into an organ subordinate to the party branch. In 1952, the employee encouragement societies at the TSC's subsidiaries were reorganized into employee welfare committees (*zhigong fuli weiyuanhui*) (TSC 1976, 736). In the CPC, the reorganization took place in 1960, and the name "encouragement" (*lijin*) was preserved as the title of the periodical published by the CPC Kaohsiung Refinery party branch (CPC 1981, 485). As late as 1962, the TAIPB head commissioner said: "In the past, Taiwan's SOEs belonged to the NRC group, which had many great technicians and managers. However, they had a major defect. A minority of people were able to control the nation's industry. The so-called SOEs were nothing less than 'I'-owned enterprises. They would not understand politics, study the Three Principles of the People, and stay close with the party."[6]

Only after the KMT political workers gained ascendancy over managers was party-state control possible in the nationalized industry.[7]

Implanting a Security Control Apparatus

Recently unearthed documents show that security agents were already present in Taiwan prior to the February 28 Incident of 1947 (Hou 2011, 101–159). Afterward, the government relied on the reinforced policing to secure its control over Taiwan. In 1950, the Taiwan Provincial Security Command (the precursor to the notorious Taiwan Garrison Command) began to send trained security officers (*baofang* agents, or personnel who were charged with the tasks of preserving secrets [*baomi*] and defending against spies [*fangdie*]) to key industrial and mining facilities. By 1954, a centralized system of security control had been established with 988 security section chiefs (*baofang zuzhang*), 2,415 security agents (*baofang yuan*), and a vast number of civilian informants scattered throughout Taiwan's industrial facilities (Taiwan Province History Commission 1998, 1: 26, 139). When the KMT launched a drive to recruit loyal workers, it also stepped up its surveillance of dissidents.

Compared to the policemen, these security agents were better trained for counterinsurgent activities. They were selected for this task primarily because of their partisan loyalty (Petroleum Industry Retired Persons' Association 2011, 748–49). The title "*baofang* agent" was changed to "*anguan* (security) agent" in 1957. In 1972, their heading was further euphemized as "the second personnel officers" (*rener*), and the *rener* term continued to be used until 1992 when the government declared the end of the "national mobilization period for suppressing the communist rebellion." In the early years, *baofang* agents were charged with the task of hunting underground communists, whereas *rener* agents were the nemeses of the workers who supported the opposition movement from the 1970s. Regardless of their official titles, they had their own system of assignment and promotion, not directly answerable to the company, but to the Investigation Bureau, which trained them prior to their deployment.

During the highly repressive decade of the 1950s, security agents and policemen were permitted unusual latitude in monitoring staff and operatives. An instance of mechanical malfunctioning could be suspected as possible communist sabotage, and the security personnel would have had to conduct a thorough investigation. In 1951, CPC repair work resulted in an industrial incident. Although there were

no personal injuries, the workers were detained by the military, and the management had to negotiate for their release by justifying their innocence (Hou and He 1993, 82). Security agents once conducted a search in the residence of a CPC manager, who was in charge of purchasing books for the refinery library. The manager had reportedly been buying "left-leaning books," but the security agents were only able to find nineteenth-century Russian classic novels, such as *Crime and Punishment* and *Anna Karenina*, which they nevertheless confiscated as evidence (Feng 2000, 232).

Workers were placed under meticulous supervision, and the company residence provided an ideal space for political surveillance. A second-generation TSC worker remembered that factory policemen would accompany schoolchildren on their trips to and from school because there were rumors of communist abductions. The policemen were given sweeping powers over the workforce, with the authority to conduct unannounced searches (*tuji jiancha*) in the factories and dormitories.[8] A 1954 directive ordered them to monitor persons with "ill behavior [*suxin butuan*]," "unknown origins [*laili buming*]," and who committed "mysterious acts [*xingdong guamin*]" during the periodic household survey.[9] Given their unchecked authority, it was a small wonder that these policemen were said to terrorize and harass workers from time to time. This observation was confirmed by the frequently repeated orders to strengthen the discipline of the policemen in the *TSC Gazette* throughout the 1950s.

Security agents and policemen could not exercise effective control over the factory without the collaboration of informants. Here the KMT members played an instrumental role. As the first TPWU president (1959–61) made manifest, party members were widespread, hidden, and sensitive to new information so that they could offer a valuable service to the security agents (Wang 1969, 146). Using party members to spy on their coworkers had been practiced as early as 1950, when the KMT announced a social survey (*shehui diaocha*) system (KMT Central Committee Party History Commission 2000, 1: 374). In these surveys, a party member was obliged to report anything suspicious to the security agents on a routine basis. Monetary incentives were the reward when party members provided valuable information.[10]

With its tentacles spread out to every workshop, the security apparatus made the SOE a risky place for dissidents. The political surveillance was thorough to the extent that the TSC security department was reported to maintain more than 20,000 personal files with detailed and constantly updated records of every employee's "family,

origin, past experiences, social relations, religious beliefs, and habits" in 1967.[11] In 1956, a state worker in a mining company wrote a letter to the *Free China*, the liberal opposition's mouthpiece magazine, to complain about "the little iron curtain." He characterized the situation as a "party-governed mine" (*dangyi zhikuang*) in which party members were given extra bonuses for their espionage on coworkers (Shi 1956).

POLITICAL MOBILIZATION OF WORKERS

With the installation of the party branch, the KMT was able to conduct activities geared toward mobilization. It should be noted that the KMT originally planned to set up a party branch in every workplace, both in the SOEs and the private sector. But this attempt met determined opposition from the private employers, who resented political meddling in their business. As a KMT cadre admitted, even though employers were willing to allow their workers to obtain party membership individually, plant-level party organization and party leadership was not tolerated (Wang 1969, 139). As a second-best choice, the KMT encouraged the unionization of private workers in the hope that the party-state might be able to influence nonstate workers. Yet, as late as the 1970s, few employers countenanced the presence of a labor union (Galenson 1979, 432). Hence, the KMT was frustrated in its attempt to infiltrate the private-sector workers, which left the SOE workers to bear the brunt of party-state mobilization alone.

Plant-wide political indoctrination was institutionalized in the form of monthly Sun Yat-sen memorial meetings (*guofu jinian yuehui*). Beginning in 1951, attending this meeting became a duty for all employees. A typical monthly meeting began with the ritual salutation to Sun and reading of his will, and then was followed by a one-hour political lecture.[12] National holidays, like Chiang Kai-shek's birthday, Presidential Inauguration Day, Youth Day, and Labor Day, were duly celebrated with mass rallies, the raising of flags, and singing of the national anthem.

The KMT did not neglect the role of female family members of the predominantly male workforce. In cooperation with the Chinese Women's Anti-Communist and Anti-Soviet League, workers' wives and daughters were organized into workplace-based women's mutual associations (*funu fuzhuhui*). Following the much propagandized lead of Madame Chiang Soong Mayling, women were mobilized to stitch clothes for the frontline warriors.[13]

Labor unions counted as the most important front organizations. During the reorganization campaign, the KMT initiated the unionizing campaign. The Federation of Industrial Unions of the Taiwan Sugar Corporation (FIUTSC) was organized in 1955 to represent all TSC workers, whereas the Taiwan Petroleum Workers' Union (TPWU) was formed in 1959 for the CPC workers. The following sections will analyze the role of labor unions in patronizing the KMT loyalists, but it suffices here to point out that most political activities were nominally sponsored by the labor unions, while they were directed by the KMT cadres from behind the scenes.

With the help of labor unions and women's mutual associations, the KMT launched a series of activities to enlist workers' political participation. Patriotic contribution campaigns were frequent in the earlier period. Workers had to donate their income to support military operations or to demonstrate their solidarity with global anticommunist allies, for instance with a naval battle in 1954,[14] the military withdrawal from Yijiangshan Island in 1955,[15] the Hungarian uprising in 1957,[16] the artillery battle in Quemoy in 1958,[17] the Tibetan uprising in 1959,[18] and the Hong Kong refugee wave in 1962.[19] The government also mobilized workers' savings to purchase governmental bonds (called "Patriotic Bonds" at that time),[20] as well as TSC company bonds.[21] A TSC-affiliated kindergarten even decided to contribute its "candy fee" to a military radio program.[22]

There were persistent efforts to bring the workplace closer to the military in an attempt to boost workers' anticommunist enthusiasm. Individual TSC refineries often sent workers to entertain soldiers with drama and song.[23] The company organized lavish farewell parties to honor workers who were conscripted for military service[24] and also invited and lionized battlefield heroes.[25] Military commissars (political warfare officers) were often guest speakers at the monthly meetings.[26] By encouraging military-factory cooperation, the KMT sought to deliver the unambiguous message that there was organic harmony between the frontline and the home front. As early as 1953, the KMT's industrial party branches were instructed to make war-preparation drills and guidelines, in which party members were trained in firefighting, propaganda dissemination, and factory-protecting tasks (KMT Central Committee Party History Commission 1997, 404). There were even attempts to instill military discipline in workers. Civil defense was a vital concern in the early years as the government conferred upon its SOEs the status of "national defense industry." Workers regularly took part in civil defense drills by practicing combat skills and marching in formation, often under the command of military officers.[27]

Figure 4.1 A cadre-training session of the Taiwan Province Industry Party Branch (1955).

Permission by National Taiwan History Museum.

The 1950s witnessed the KMT's Leninist mobilization of workers. The picture shows party cadres in military uniform to receive the lecture on the Overcoming-Difficulties and Increasing-Production Campaign.

The official ideology emphasized the lesson that workers should see "the factory as one family [*yichang weijia*]." The close integration of work and nonwork made the daily life of state workers highly regimented. The relatively smaller size of sugar refineries meant that there was little room left for individual discretion. The upbeat music of the "TSC March" was broadcast at the company residence at 7:55 a.m. every morning to call workers to the plant, while a half hour of calming light music was played after 5:00 p.m. Some TSC subsidiaries also made it a daily routine for workers to do morning physical exercise.[28] As a result, the daily activities of workers and their family members were governed by a collective rhythm.

Implicit in the KMT's Leninism was the view that workers could be thoroughly reeducated for the sacred anticommunist mission so that workers' habits became a target for reform from above. Periodically, the company promoted a series of programs in life education to

cultivate desirable habits among its workforce. The TSC sponsored a Week of Manners and Hygiene,[29] thrift campaigns,[30] movements to encourage saving,[31] movements for reading (government-approved materials, of course),[32] and even a patriotic movement to boycott foreign cigarettes.[33] The company practically assumed the role of a moral authority, urging workers to lead decent and hardworking lives. Such a paternalistic outlook was exemplified by the role of "life guidance instructors" (*shenghuo zhidao yuan*), who oversaw the transition of demobilized soldiers from army to factory. Not surprisingly, it was the security agents who undertook the task of "life guidance," which was simply a disguise for monitoring the ex-soldiers' behavior.[34]

Schurmann (1966, 107) has argued that Leninist organizations relied on ideological mobilization to resist the malignant tendency of routinization. The periodical campaigns were a vital means to maintain the combat ethos. The newly installed KMT political workers also needed to demonstrate their contributions economically, not just politically. In 1952, the KMT launched the Anti-Communist and Anti-Soviet Total Mobilization, which encouraged the use of competition in order to boost output (KMT Central Committee Secretariat 1952, 349). In the following year, it initiated the Overcoming-Difficulties and Increasing-Production Campaign (*kenan zengchan yundong*). Party cadres were instructed to motivate and lead the working masses to raise production targets (KMT Central Committee Party History Commission 1998, 213–14). At the same time, there was also a Diligence and Service Campaign (*qinlao fuwu yundong*) to eradicate the vice of laziness.[35] For several years, the KMT calculated and published the increase in the volume of production from the campaign. From July through December 1954, for instance, an estimated value of NTD 9,828,000 was gained by these efforts (KMT Central Committee Party History Commission 1998, 275).

In an instance of perfect irony, the KMT's contemporary propaganda criticized the similar attempt by the CCP to mobilize its workers: "In order to squeeze workers' labor power, the communist bandits conduct so-called 'labor competition' to increase their factory production. Workers are coerced to 'establish a new concept of labor' and some 'leading examples' were given the title of 'heroes' and 'models' . . . Consequently workers are totally exhausted and suffer from the results of competition—disability, disease and death" (KMT Central Committee Fifth Division 1956, 50).

In sum, the KMT used party-state devices to ensure state workers' loyalty. During this period, other sectors of the Taiwanese population

underwent roughly the same experience of political mobilization. The fact that state workers chose to maintain their privileges in the SOEs gave them little immunity to the constant demands for participation. Voluntarily or not, they had to play the role of anticommunist zealots, frugal citizens, and diligent workers. In comparison to the CCP, Hood (1997, 28–29) has argued, the KMT "did not try to remake human beings according to a political blueprint in the way fascism or Marxism attempted to." The truth, however, was that the KMT did envision this goal when its cadres were ordered to carry out the tasks of political mobilization. The problem was that the KMT's Leninism was not revolutionary, but counterinsurgent, and coercively imposed upon a working class divided by ethnicity. Hence, without comparable genuine enthusiasm from below, the KMT's political mobilization appeared more formalistic, empty, and ritualistic.

Limited Successes of the Party-State Penetration

The political shaming of managers and the buildup of the security apparatus were but a prelude to the KMT's reorganization, and the ultimate test of the campaign consisted in whether the KMT would be able to enlist a sizeable following among the industrial workers. In the beginning, the KMT announced its goal to recruit "producers" (*shengchanzhe*) as its new members, with emphasis on "technicians, skilled workers, foremen and productive workers" rather than "unskilled workers and temporary workers" (KMT Central Committee Secretariat 1952, 45, 69). Taiwanese workers, who were schooled during the colonial industrialization, should thus have been among the primary targets of the KMT's recruitment. If sufficient numbers of Taiwanese workers had obtained KMT party membership, their ethnic identity would no longer have been discriminated against. Should this have happened in reality, partisanship would have replaced ethnicity as the principal cleavage in the workplace.

The ambitious Leninist project to remake Taiwanese society was not entirely successful. Even before the formal conclusion of its reorganization in 1952, the KMT frankly acknowledged the fact that the expected "high tide in support for our party among the laboring masses" was still forthcoming (ibid., 231). An internal report revealed the limited progress:

> In the past, the party's decisions were largely applicable to public servants or persons with a similar level of knowledge. However, for peasant members, worker members, women members, and the members who knew the party less well (for instance, those who joined the party after the retrocession of Taiwan [author: an indirect reference to the ethnic majority]), the party did not investigate their economic life and mental condition so as to grasp their characteristics. The leadership did not produce a holistic and practical method and failed to cultivate leading cadres among peasants and workers. Hence, peasants, workers and members with a shallower level of knowledge did not show progress in political understanding and work performance. Although they were formally incorporated into the party, the relationship was still very distant in reality. (KMT Central Committee Party History Commission 1997, 171–72)

The following figures show the composition of party members from available sources (see Table 4.1). It is clearly shown that only the cohorts that signed up for the party in its reorganization period (1950–52) consisted of a larger percentage of Taiwanese and workers. Once the campaign was over, the KMT still faced persistent difficulties in recruiting from these two targeted groups.

While Table 4.1 looks at the newly recruited party members by period, Table 4.2 presents the accumulated totals. As we can see, the KMT did not successfully transform itself into a bona fide organization of the productive classes. At least prior to the 1970s, it continued to be a party of public servants and Mainlanders.[36] According to Kung's

Table 4.1 The newly recruited KMT members (1950–61).

Period	Members	Taiwanese	Workers
1/1951–12/1951	27,666	60.0%	23.8%
1/1952–8/1952	14,945	63.8%	50.3%
1/1953–12/1953	56,686	32.8%	9.1%
1/1954–5/1954	34,051	53.1%	6.5%
1/1955–6/1955	33,557	47.5%	8.8%
10/1957–5/1959	62,735	33.5%	9.7%
5/1959–9/1960	43,967	38.3%	n/a
9/1960–8/1961	27,098	38.2%	n/a

Note: Author's calculations based on KMT Central Committee Party History Commission (1998, 4–6, 181, 182, 285, 402, 435, 452).

Table 4.2 The KMT members (1952–69).

Year	Total Members	Taiwanese	Workers
1952	282,959	26.1%	9.4%
1956	458,575	30.5%	n/a
1957	509,864	29.9%	8.7%
1959	564,784	29.4%	n/a
1963	667,000	30.7%	n/a
1966	766,914	34.0%	n/a
1969	919,327	39.0%	n/a

Note: Author's calculations based on (1) KMT Central Committee First Division (1957); (2) KMT Central Committee Party History Commission (1998, 143, 175, 239, 277–78, 337–38).

(1998, 68) calculation, using demographic data, as late as 1963, only 1.9 percent of Taiwanese people had joined the KMT, whereas the percentage for Mainlanders was 30.1 percent. In terms of the absolute number, "Taiwanese did not constitute the majority of KMT members until 1974" (Dickson 1993, 81).

The failure to transcend the ethnic barrier was visible in the stunted growth of the KMT's party branches for industrial workers. In June 1952, the KMT's Industry and Mining Party Branch (*gongkuang dangbu*) possessed 20,654 members.[37] In December 1953, when it was rechristened as the Taiwan Area Industrial Party Branch, the number actually declined to 12,795.[38] At that time, only 19.5 percent of TSC employees and 14.2 percent of CPC employees had obtained party membership.[39] It was only in the 1960s when the KMT finally made significant progress in signing up more workers to the party. In 1960, only roughly one-third of the TSC employees possessed party membership.[40] In 1965, the percentage rose to 42.3 percent, well above the KMT's planned target of 35 percent.[41] The CPC figure showed the similar pattern of growth in the late 1950s. KMT party members made up 32.2 and 39.4 percent of the CPC workforce in 1958 and 1961.[42]

The ethnic bias was expectedly more skewed among the high-level party cadres. The higher the party position, the more predominant Mainlanders were. The KMT party organizations in the industrial sector were structured as a hierarchy of commissions (*weiyuanhui*), which theoretically functioned as the executive organ for their corresponding jurisdictions. An analysis of the ethnic composition of commissioners in the top party committee is presented in the following table.

Table 4.3 The top-ranking commissioners of the KMT's Industrial Party Branch (1951–79).

Years	Number of Commissioners	Percentage of Taiwanese Commissioners
1951–1953	11	27.3
1953–1954	82	12.2
1954–1956	22	9.1
1956–1958	22	18.2
1958–1960	22	13.6
1961–1964	22	13.6
1964–1967	22	13.6
1967–1970	22	9.1
1970–1973	22	4.5
1973–1976	31	35.5
1976–1979	31	38.7

Note: (1) The name and structure of the KMT's industrial party organization was constantly changed. It was the Industry and Mining Party Branch in the years 1951–1953, the Taiwan Area Industry Party Branch for 1953–1973, and the Industry and Enterprise Party Branch (*shengchan shiye dangbu*) for 1976–1979.

(2) The sudden rise in the percentage of Taiwanese commissioners after 1973 came from the move to merge the TAIPB (exclusively of SOE workers) and the Taiwan Province Industry Party Branch (mostly of private enterprises workers) (KMT Central Committee Party History Commission 1997, 403).

(3) Sources are based on various proceedings (file numbers 6.4-2/10.2, 7.4/851, 7.4/852, 7.3.1/648, 8.3/487, 8.3/503, 9.3/528, 9.3/547, 10.3/1067, 10.3/1022, 10.4/1103), The KMT Party History Archives. The figures are calculated and arranged by the author.

(4) The period is divided by the terms of commissioners, who were periodically reelected every 2 or 3 years. There is no overlapping in their terms though the lack of precise information in the above table might appear that way.

Except during the reorganizing period when recruitment of native party members was prioritized, Taiwanese persons constituted less than 20 percent of high-level cadres in the 1950s and 1960s. It was more difficult for Taiwanese KMT members to climb up the party hierarchy than their mainland comrades. However, despite the ethnic disparity in party organization, it was not as extreme when compared to the distribution of first-rank supervisors in SOEs as identified in Table 4.3. For example, in 1965, Taiwanese made up 13.6 percent of KMT's top-ranking commissioners but only 3.1 percent of TSC's

first-rank supervisors. This shows that the party-state structure did result in a minor revision of the existing ethnic domination.

For the majority of those Taiwanese workers who joined the KMT, a lethargic attitude toward the political activities prevailed. A party cadre lamented the lower-than-expected attendance rate at a Mandarin course, as many worker students simply ceased to come to class once they received free textbooks.[43] Since the recruiting campaign was carried out in a top-down fashion, rank-and-file worker members were “few and far between even with the protection of a quota system” when it came to the party work.[44] According to a 1955 survey, among the 270 “qualified” cadres in the KMT’s Taiwan Area Industrial Party Branch, only 44 were Taiwanese.[45] This figure indicated the existence of an ethnic barrier that the KMT failed to conquer even with its best efforts.

On the shop-floor level, the KMT political workers were frustrated by the mass apathy among worker members. As a cadre revealed: “In the early period of reorganization, the emphasis was placed upon quantity rather than quality. Too many people joined the party unwillingly. Some of the comrades have become a burden at the grassroots level. Because their belief in the party is weaker, they are frequently absent from the meetings without asking for leave.”[46]

Another observation was more forthright: “Worker comrades were less educated. In the beginning, they joined the party en masse without knowing the Three Principles of the People. Their motivation for participation was but to keep their jobs. After joining, they did not receive rigorous training and were not placed under proper leadership and correction. Over time, they became weary and desultory.”[47]

The KMT’s attempt to build its mass basis produced only slow-paced and limited progress. The majority of Taiwanese workers remained uncommitted or uninterested in party recruitment, and those who obtained party membership mostly viewed it as an expediency to keep their rice bowls. Disillusioned by the ethnic discrimination and alienated by the suppression of the 1947 uprising, Taiwanese workers were not eager to obtain party membership. The KMT’s fervent anticommunist rhetoric might have resonated among exiled Mainlanders, but it seldom found a congenial audience among Taiwanese workers.

USING “SERVICE” TO WIN WORKERS’ LOYALTY

The failure of the KMT’s ideological appeal among the working class was apparent. Therefore, some cadres realized that political indoctrination was not enough to win workers’ loyalty. As was noted at the

time, "The most successful leadership does not give the masses the feeling of being led, but of being kindly served" (KMT Central Reorganization Commission Cadres-Training Committee 1952, 10). But what constituted as "service" (*fuwu*) could come in various forms. When organizing women, there was a paternalist emphasis on friendship and "sentiments" (*ganqing*). When they encountered psychological difficulties, cadres were encouraged to "console them and help them find solutions" (KMT Central Committee Women Work Committee 1954, 12).

A particularly adept cadre recounted three examples of how he provided "service to galvanize workers' political belief." First, when a group of foremen were frustrated by being rejected in their application for promotion, he encouraged them to study Mandarin harder so that once the anticommunist war had succeeded they could be deployed to China as engineers. Secondly, there was a worker who came close to being dismissed. He revealed to that person that a certain KMT coworker had negotiated behind the scenes to save his position. Lastly, when workers were displeased by the differential treatment with regard to company welfare, he used the occasion of a company meeting to speak up for the workers and was engaged in a heated fight with the management (Sun 1954). While the first encouragement was no more than a sweet lie, the last two examples provide important clues about how personal favors and welfare could be enlisted in the effort to secure workers' allegiance. Although this cadre's story was unblushingly self-serving, it revealed the extent of rank-and-file grievances, which the party-state could make use of. By championing workers' interests in defiance of the managerial authorities or pretending to do so, party cadres could win the hearts of the working class.

Since the KMT members constituted a precarious minority whose commitment to the official ideology remained dubious at best, the KMT had to rely more on front organizations. However, while it was true that labor unions and women's mutual associations were nominally responsible for the political activities described above, they also carried out the tasks of welfare provision for workers and their family dependents.

Indeed, the company transferred a number of welfare facilities to the labor unions or to the comanagement of unions and employee welfare committees. In 1981, the TPWU Local One listed its welfare provisions as follows: "Courses in English and Japanese, Mandarin, Mathematics, Chinese painting and women's skills. The union organized excursions, hiking, sports, bingo games, mutual saving clubs,

and relief for the injured and the poor. The union helped to arrange fire and life insurance. Other services included assistance with wedding and funeral ceremonies, driving license renewal. For employees' children, they helped with transportation to academic examinations and finding working opportunities during the summer vacation" (CPC 1981, 502–03).

What fell under the category of the union's service covered almost every need of the workers and their families. The CPC even boasted of its generous provisions as "nationally famous" (Kaohsiung Refinery Employee Welfare Committee 1989, 5). The cradle-to-grave comprehensiveness of these welfare services was akin to the *danwei* system in Chinese communism (Lü and Perry 1997), and yet there remained a crucial distinction: most of these welfare services were administered by labor unions, rather than the company management.[48]

The upkeep of labor unions was purposively economized in order to minimize the members' financial burden. Labor unions were treated as if they were an auxiliary unit in the company structure. All full-time leaders and staff came from the pool of employees, who continued to receive the company salary. Union offices belonged to the company, which also underwrote the operation expense.[49] Even after dissident workers had seized control of their labor union in the late 1980s, some rank-and-file members still subscribed to the outdated belief that the union was an administrative unit within the company structure (TPWU Local One 1994, 33).When the TPWU was established in 1959, its leaders successfully obtained a loan of NTD 500,000 from the company to pay the first year's expenses (Yan 1971, 572–73). The worker members at the CPC Kaohsiung Refinery did not have to pay the monthly dues of NTD 3 prior to 1974. Initially, the union leaders secured the management's consent to use a special bonus to cover the legally required contribution. Only afterward were the union fees automatically deducted from workers' monthly salary.[50]

The monthly dues for labor unions were kept at a ridiculously low level. As late as 1991, most of the unions adopted a flat rate of NTD 20, 30, or 35.[51] Such meager contributions were simply not enough to support a functioning labor union. For example, even without the inclusion of the great proportion of direct and indirect expenses that were financed by the company, member dues still constituted only three-quarters of the TPWU's revenue in 1984.[52]

With the connivance of management, labor unions often operated profit-making businesses in order to generate additional welfare and service for their members. The welfare committee of the CPC Kaohsiung Refinery owned an oxygen factory, which grew to become a

registered company with 128 employees at its zenith (CPC 1981, 489, 491; 1993, 745). The same arrangement took place between the TSC and the FIUTSC. The TSC management outsourced some business to a company that was operated by the union. This company provided job opportunities for retired workers and their family members (Chen 1968, 50).

Besides labor unions, women's mutual associations also provided certain benefits for their members. Women's mutual associations were mostly organized in the 1960s (KMT Central Committee Fifth Division 1976, 12–17), and the later development meant that their welfare function assumed more prominence. In addition, the ideology of domesticity also constrained the extent to which the KMT could extract political loyalty out of women. Hence, women's mutual associations evolved to encompass many family-related welfare programs. In the years 1965–66, the TSC's women's mutual associations held 107 courses in domestic skills and vocational training and 13 student summer activities.[53] The women's mutual association in the CPC Kaohsiung Refinery also operated a daycare center,[54] as well as a profit-making stitching plant.[55]

By providing a plethora of services to their members, labor unions and other front organizations in essence functioned as the human face of the party-state. Labor unions were meticulously fashioned to become machines that generated maximal benefits and welfare without at the same time stimulating class consciousness among workers. Worker members were encouraged to be the passive recipients of a number of perquisites with the aim of endearing them to the regime ideology. They had to shoulder only the token-gesture financial cost of the labor union precisely because it was meant to be an organization for them, but not by them.

Using Union Positions to Patronize Loyalists

It was an open secret that KMT members gained advantages in promotion and annual evaluation in the SOEs. These were the most powerful incentives in persuading workers to obtain party membership—a pathology that Walder (1986, 124) diagnosed as "principled particularism" in Chinese industry. Many of the workers I interviewed reported the experience of being hinted to by their superiors that their request for promotion was pending upon their application for party membership. The official designation of the SOE as national defense industries was often used as the legitimate ground

to confer preferential treatment upon KMT members. For rank-and-file operatives, the position of foreman was the most realizable career ambition, but oftentimes, party membership was a necessary requirement. Zeng Maoxin, one of the leaders in the post-1987 labor movement, left a state-owned engineering company partly because he constantly defied his superiors' demand to join the party and hence was not promoted to foreman (Ho 2008, 218–19). Taiwan's situation was similar to what Haraszti (1978, 88) described in communist Hungary: political loyalty was a necessary requirement for career opportunity.

While the above-mentioned welfare programs provided by labor unions and women's mutual associations targeted the rank-and-file members, leadership positions in labor unions themselves generated resources, which could be utilized as rewards for political conformists. Since the party branches were themselves parasitic, feeding off the companies, they could produce very few benefits for followers on their own.[56] Consequently the well-endowed labor unions played an important role. To facilitate this role, the government designated an indirect and complicated system of representation for labor union governance. Union leadership positions were maximized to allow a more broadly based distribution of positions. The TPWU Local One, comprised of workers in the CPC Kaohsiung Refinery, for instance, possessed around 6,000 members in 1982, and they had to elect roughly 30 representatives for the TPWU, 100 representatives for the Local One, 400 group leaders (*xiaozuzhang*), and 21 Welfare Committee members. Higher positions, like the director, supervisors, standing directors, standing supervisors, and the president, were selected from the pool of representatives.

The regular meetings at these different levels of leadership alone already made for a busy schedule. From the very beginning, unions were given the mission of conducting labor education (*laogong jiaoyu*) and training (*xunlian*). The FIUTSC, for instance, sponsored 77 classes with 3,640 attendees to its labor education programs from 1956 through 1958.[57] With so many training classes, the FIUTSC built a new labor education center to host these events.[58] A perquisite granted to union leaders was taking leaves to attend these activities—a licensed privilege to escape the everyday factory drudgery. Training programs for union leaders were heavily loaded with political indoctrination, but nevertheless, they provided a much coveted opportunity for paid leave and a trip. Since the union was deprived of its bargaining function, there were few important issues to be discussed in the regular meetings. Hence the meeting agenda was often loosely structured,

and participants were even given small gifts.[59] A training program for group leaders usually took up the morning session, while the rest of the day was put aside for so-called self-strengthening activities (*ziqiang huodong*)—a euphemism for company-sponsored recreation.[60] For a thinly disguised example of company travel, 73 union leaders from one TSC refinery went for an organized tour in central Taiwan. The "meeting session" took place during their two-hour bus ride, even though they were separated into two buses.[61]

Higher union positions came with the chance to meet top company leaders regularly, which was of great advantage to one's career (Yang 1979a, 156). It had become an established and inevitable career pattern that union leaders obtained a higher company position when their union tenure was over. Among the retired TPWU presidents, there was a general manager as well as a CPC Personnel Department director. A former TPWU president (1963–65), acknowledged in an interview that his union service facilitated his career advance: "After two years of union presidency, if you did not commit any mistakes, the party branch and the company would appreciate your contribution. They would see you as a capable person and give you a higher position so that you could continue your good service . . . That was the reason why most union presidents were very cautious not to make mistakes."[62]

The co-opted union leaders were less responsive to the grassroots demands; more often than not, they worked in tandem with management to neutralize worker discontent.

Positions in labor unions and welfare committees came with the opportunity to conduct business deals, which had become a way of making illicit profits. The welfare committees regularly gave souvenirs to members on the special occasion of Labor Day or other holidays. However, the shoddy quality of these gifts had long been complained about, and one could often hear rumors of corruption in their purchase.[63] As stated above, both the labor unions of the CPC and the TSC operated independent businesses. However, this extraordinary arrangement was highly questionable, at least from the legal point of view. The oxygen-producing company operated by the TPWU Local One was registered under the names of employees' spouses, and in order to compensate them for their payment in business tax, the welfare committee earmarked a special fund for them. Though the top management tried to keep this practice confidential, its exposure once led to a public scandal (Deng 1995, 82). Aside from the dubious financing, the company at question was reported to hire persons with personal connections to the union leadership—a

clear indication that union positions were being used to benefit a privileged minority.

Financial irregularities on the part of labor unions were a recurrent theme, and they were often exposed to the public when the new union leadership refused to honor the accounts left by the outgoing leadership. In 1985, the TPWU reported that a sum of NTD 490,000 was missing; as a result, two preceding directors were indicted.[64] Three years later, when another cohort of leaders took charge, they also found that a construction project by the union possibly involved an illicit transaction. They decided to report the case to the Investigation Bureau.[65]

The core KMT members clearly constituted a favored minority in the SOEs. According to the Leninist logic, they should have played the vanguard role because of their ideological devotion. However, the widespread use of material rewards for political conformity produced a perverted result. Partisanship was not characterized by selfless commitment, but rather constituted a royal road to privilege. Walder (1986, 152) has maintained that "political activists" were a universally loathed figure in Chinese industry because they chose loyalty over friendship. In a sense, Chinese political activists were almost comparable to rate-busters in American industry, who would have received "extreme criticism and possibly severe penalties from the group" (Roy 1953, 513). In Taiwan, the KMT loyalists were hated because their personal advantages were generally perceived to come from the sacrifice of their coworkers.

Pan Zhucai, a TPWU president (1965–68), wrote an autobiography with highly revealing sections on how the union insiders led a privileged lifestyle (Pan 2003, 477–81). Perhaps due to the candid exposé, his autobiography was not formally published and could only be found in the company library. Pan was originally reluctant to accept the position arranged by the party branch because of personal financial concerns. After his superiors promised to use company money to underwrite his expenses in socializing activities (*yingchou*), he finally agreed. Upon becoming the president, he was surprised to find the frequency with which his predecessors and the top company managers would gather together to have a banquet, play mahjong, and drink wine. Even the CPC president personally told him one could never be a good union leader without drinking and playing mahjong. Pan described the lavishness of these banquets, which took place three or four times a week and caused him to gain weight. Particularly interesting was that Pan left an account of how the KMT cadres had become a self-enriching clique who used their

service to the party-state to justify their privileges. Pan's union secretary was an ardent KMT political worker who often argued with those who criticized the government. Pan later found out that the same person used union money to pay for his taxi fare and dining expenses, and as a result the union's bookkeeping was chaotic. Pan also explained how he was approached by a party cadre from the KMT Central Committee Fifth Division, which supervised the labor unions. He asked Pan to arrange some lecturing opportunities because his formal salary was too "meager." With Pan's help, the TPWU arranged a series of labor education events, which solved his financial difficulties.

Pan Zhucai's colorful description revealed the widespread corruption among union leaders. Theoretically their mission was to instill ideological enthusiasm among the rank-and-file workers, using material incentives only when necessary, but instead they had degenerated into a small group of privileged insiders.

Workers' Responses to Party-State Mobilization

According to Scott (1990), a bifurcation into the front stage and the backstage came as a necessary corollary of extreme domination since a minor divergence from the prescribed scenario could be fatal. The political loyalty the KMT demanded resembled what Scott called the "public transcript," or the official definition of a situation that was explicitly sanctioned by the elites. The KMT's official definitions included (1) the absolute correctness of its anticommunist ideology, (2) the "nation-defense" purpose of the SOEs, and finally (3) the necessity of political mobilization as well as its benefit for production.

Even a slight departure from the official norm was not tolerated. In 1957, the Ministry of Economic Affairs promulgated an instruction, which demanded that the Chinese communists be called "the bandit party" (*feidang*) or "the gang of bandits led by Mao Zedong and Zhu De" (*zhu mao feibang*). A detailed plan followed to regulate the naming of communist leaders, army positions, cadres, and organizations.[66] Under such circumstances, a failure to follow the official designation was no less than an act of political disloyalty. The KMT certainly knew the danger of deviance from the public transcript. Hence, there was a governmental order that forbade not bowing to Sun Yat-sen's portrait on religious grounds. Offenders were to be immediately corrected by their superiors or prosecuted.[67]

This situation left virtually no room for dissident workers to express their grievances. An organized and public act of disobedience was doomed to be counterproductive and costly, and hence workers' reactions had to take refuge in the backstage realm beyond the KMT's surveillance. Huang Tiansheng (a pseudonym), who worked at the TSC's Talin Refinery for 47 years (1945–92), serves as an example. Early in his working career, Huang resented the preferential treatment of KMT members, who always received better annual evaluations and quicker promotions. Yet he resisted his superiors' repeated suggestions that he should obtain party membership because he was repulsed by the widespread espionage practiced by his KMT coworkers. He ended up deciding to join the China Youth Party—one of the two token political parties that were deliberately tolerated and fostered by the government in order to produce a multiparty façade, and he used this as an excuse for not joining the KMT. Although Huang's successful ploy saved him from becoming a member of the political organization that he detested, it also cost him personally. Every time there was an election, he was always sent on a business trip so that he could not cast his vote. And upon his retirement, he had never made it to the level of subsection chief, which should have been an expectable career attainment for someone of his prolonged tenure with the TSC.

Huang's tactical obtaining of China Youth Party membership was an unusual case of nonconformism. He simultaneously expressed and disguised his political nonconformity with his "loyalty" to a practically nonfunctioning party. Huang's case was an act of subdued opposition that required the personal qualities of "guile and cleverness" (Scott 1990, 164). Other workers, who were not as conscientiously bothered as Huang, had to appear more accommodating to the KMT's political mobilization. The apparent peacefulness on the front stage had to be maintained to an extent so that they could gain the necessary space to develop a rich repertoire of everyday resistance. These acts of everyday resistance were anonymous, spontaneous, leaderless, and localized; yet, they still had the effect of neutralizing the control from above. The KMT's efforts at political indoctrination were constantly undermined by a lack of enthusiasm among the rank and file. In 1959, a report on the monthly Sun Yat-sen memorial meetings honestly pointed out their shortcomings:

> I once read a TSC statistical report on the attendance rate of the monthly meetings. It ranged from 70 to 30 percent, with an average of below 50 percent. During the months of sugar production, attendance was even lower. Most workers were not interested in joining

> the monthly meeting, and they used all kinds of excuses to be absent. There were announcements broadcast right before the meeting, roll calls and signing-ins, but their effects were not significant . . . Most of the meetings were so routinized that listeners appeared absent-minded even though speakers were passionate. During the meetings, taking a nap and reading the newspaper were common phenomena among the audience . . . In large refineries, the auditorium was chaotically crowded five minutes before the meetings, and delays were quite frequent. In addition, many workers signed in for their colleagues or forgot to bring their sign-in cards.[68]

This observation reveals that a majority of workers adopted various strategies to camouflage their apathy. I apply the term *ritualism* to identify this particular form of everyday resistance. According to Merton (1957, 184–87), ritualism took place when persons abided by the norm that regulated their behavior without subscribing to the cultural value that was supposed to orient their action. Ritualism is easily misconstrued as conformism because of the seeming similarity in its obedience to the rules decreed by the authority. Yet, it is an everyday resistance precisely because the actor adopts an instrumental attitude in order to preserve one's own survival (defensive). Ritualistic resistance, needless to say, is never tolerated by elites and has to be practiced in a secretive manner. Ritualism is also ambivalent, because it is not intended for getting or becoming, and it may or may not require mutual cooperation.

Under the KMT's Leninism, the dominant norm consisted of obtaining KMT membership and attending political campaigns, while the prevalent value expected the workers to embrace the ideology of anticommunism enthusiastically. Clearly, the above description of the monthly Sun Yat-sen memorial meetings showed that a significant number of workers remained indifferent to the official indoctrination but still collaborated in staging the public transcript, even though their lukewarm performance was visible to the KMT cadres. As a type of everyday resistance, ritualism did not aim at transforming the oppressive environment. It was akin to what Walder has identified as the defensive strategy among Chinese workers who sought to stay away from politics.

Many workers experienced the colonial wartime mobilization either as a working adult or indirectly through their fathers who also worked in the same workplaces; therefore, it was not too demanding for them to adjust themselves to the KMT's politicized regime. When mobilized to do something against their will, they never failed to comply but seldom expressed the kind of enthusiasm that their leaders expected. Sometimes they joined political activities because of the free meals, gifts, and entertainment that were offered. For ritualistic workers, attending monthly

meetings was a welcome escape from factory labor since the auditoriums were always clean and air-conditioned. When they were asked to donate their money, they simply accepted this requirement because "the money had already been automatically deducted in advance." Taking part in these activities served to maintain interpersonal harmony so that the informants had no reason to speak ill of them.

Mr. Ye (a pseudonym) of the TSC Huwei Refinery is a prime example of a ritualist. He clearly recognized the self-serving behavior among the KMT cadres but claimed it was "human nature" for those who held power to benefit themselves. For example, when distributing the rooms of the company dormitory, those who had political connections were always able to take advantage. Ye was cynical as well as instrumental when it came to the political rituals. He became a member of the KMT so as not to "be found fault with," and he hoisted the national flag at his door in case policemen came to harass his family. Ye started his TSC career in a pig farm and then worked as an agent promoting sugarcane farming before retirement. He was a second-generation sugar refinery worker, and his ritualism led him to settle for no more than his father's life station.

Mr. Li (a pseudonym) of the TSC Suant'ou [Suantou] Refinery was a KMT cell leader (*zuzhang*); he was theoretically required to conduct cell meetings regularly and report the conclusions to the higher-level cadres. Li claimed he seldom convened a meeting; most of the time, he simply made up the proceedings with some inconsequential items of information for the required social surveys. Li's ritualistic attitude toward the assigned mobilizing task stemmed from his resentment of the KMT cadres, who forced him to read propaganda literature.

While ritualists followed their leaders' demands, they sought to exert themselves as little as possible at work. They reckoned that they contributed plenty to the company by spending their time participating in political activities, so there was little reason for them to work hard to be more productive. As one worker put it: "Though a regular shift was eight hours, if you had a high IQ, you should have been able to finish your work within one or two hours. A person with a lower IQ might need up to four hours. But if a person spent more time than that, he might as well have committed suicide."[69]

This sarcastic remark reveals the hidden effort-and-reward bargaining. Workers' time spent on political activities was deemed as their "work", and hence they thought an easy job was their entitlement. The right to be unproductive was part of the compensation for their political loyalty. A "plus ça change et plus c'est la même chose" attitude prevailed. Another CPC worker candidly wrote his passive outlook:

> I have spent my precious 15 years in the refinery. I worked silently and developed a sense of deep attachment to this place. I had no major accomplishment, but neither did I make any mistakes . . . We do not see any incentives for working hard. It remains the situation that idlers idle and workers still work. The superiors tell us to work harder. They do not mean it, and we do not take it seriously. There are many kinds of production campaigns . . . Despite the initial fanfare, nothing has changed. After a brief period of early enthusiasm, everything stays the same . . . The more social experience one has, the more one knows what it is all about.[70]

Ritualistic workers were perceptive in penetrating the ideological veil. Behind the idealistic proclamations, only a small circle of KMT loyalists were favored, while the rest were excluded. Yet those outside the circle remained dependent and powerless to change their situation. Their insight produced disillusionment and cynicism and, hence, a lack of industrial discipline. Just like the proverbial inefficiency of Taiwan's officialdom, state-owned workers were said to practice a passive philosophy: "non-working was safe whereas more working brought more mistakes [*bu zuo bu cuo, yue zuo yue cuo*]." As Crozier (1964, 199) has commented, ritualism was "a very useful instrument . . . in the protection of a group's area of action." Thus, ritualism was not synonymous with defeatism, but rather a self-conscious effort to preserve personal autonomy from the party-state extraction of worker's loyalty.

It was reported that some workers would steal factory materials and sell them on the black market. Unless they were closely supervised, they drank and gambled during work time. Those who worked at the TSC's industrial alcohol factory had virtually unlimited access to the intoxicant. The problem of weak factory discipline was recognized by the TSC management, which made repeated attempts to eradicate these vices, but to no avail.[71] Although workers might have made personal gains or psychological satisfaction from these petty acts of loitering and theft, these were but small compensation to their losses under party-state domination. The overall effect was to make the SOEs less and less efficient. After all, ritualism aimed merely at survival in an unusually hostile environment.

Co-opted Taiwanese Workers as a Minority

While the majority of Taiwanese workers took a lukewarm attitude toward the party-state mobilization, a small minority, nevertheless, followed an unexpected career trajectory thanks to party-state sponsorship.

Here Chen Xiqi's career at the TSC could serve as an example. After graduating from high school and working briefly in a private company, Chen entered the TSC in 1959. Chen came from an impoverished Taiwanese family that was indebted due to business failures. At first he was placed at the crystallization workshop of Hsiaokang [Xiaogang] Refinery—the most demanding post in the sugar-making process. He volunteered in the labor union by making propaganda posters because he had mastered that valuable skill in his high-school years. Through his union participation, the KMT cadres came to notice this brilliant young person and invited him to apply for membership. With the KMT's sponsorship, Chen became a well-known example of how a "sugar-boiling worker" rose to both leading political and union positions. He became the president of the FIUTSC (1972), the Taiwan Province Federation of Labor Unions (1976), and the Chinese Federation of Labor (1979), the only legal, national-level labor organization recognized by the government until 2000. Chen also stepped into politics by serving for two terms as a legislator (1980–86). In the 1986 election, Chen was unexpectedly outperformed by an obscure candidate of the Democratic Progressive Party (DPP), which had been organized just three months before. He tried to make his political comeback for many years without success.

Chen acknowledged his distinguished career due to the backing of the KMT cadres who were "genuinely concerned about workers' welfare." But the meteoric rise of a factory operative to the national labor leader took more than high-caliber skills and his patrons' benevolence. Born in 1940, Chen was a generation junior to the Taiwanese workers whose checkered fate I have described in the preceding chapter. He did not experience Japanese colonialism; neither did he personally witness the February 28 Incident and its subsequent suppression and surveillance. This might well explain why he was more accommodating to the KMT's ideological mobilization than most of his senior coworkers.[72] In an interview, he emphasized that most of his TSC superiors and union staff employees were Mainlanders. More often than not, among this predominantly Mainlanders' circle, he was the only Taiwanese. Clearly, Chen was among the few chosen Taiwanese workers who were co-opted by the party-state. In a similar fashion to that identified in Burawoy's (1972, 116) analysis of the postindependence Zambian copper miners, ethnic inequality persisted, but it became more and more difficult to cast class relations purely in terms of ethnicity.

Conclusion

Speaking about the pre-1949 CCP attempt to mobilize the Shanghai working class, Perry (1993, 5) has noted, "Chinese workers were not a tabula rasa on which the Party cadres could write whatever political messages suited their design." This observation equally applies to the situation faced by the KMT cadres in Taiwan during the 1950s. The institutional tenacity of ethnic division turned out to be a persistent obstacle in the KMT's ambitious program of Leninist transformation. The KMT did not metamorphose into a party of producers; neither did workers become ardent anticommunist warriors.

Nevertheless, the limited success of the KMT's party-state penetration left an indelible impact upon the postwar class formation. The Leninist revision of the preexisting intraclass division was partial, but consequential. By superimposing a politics of partisanship over the politics of ethnicity, workers' internal divisions became more complicated and blurred. Some Taiwanese workers eventually ended up being patronized by the party-state because of their political loyalty and were incorporated into the privileged stratum of the working class.

Historical institutionalism uses the term *layering* to understand this type of institutional change. Institutional layering happens when a new arrangement is added upon the preexisting structure, and consequently it involves "the partial renegotiation of some elements of a given set of institutions while leaving others in place" (Thelen 2003, 225–28) It is essentially an intermediate situation when the new institutional rule does not result in complete reproduction nor the replacement of the previous situation. In the daily experience of Taiwan's SOE workers, a mechanism of "boundary deactivation" (Tilly and Tarrow 2007, 78–79) took place, and consequently a polarized "we-versus-they" distinction became less salient.

Institutional layering by the party-state in terms of ethnic domination was, arguably, less directly observable because the party activities were designed to be secretive. There are some otherwise illuminating works that have failed to heed the consequential impact of this politics of partisanship. Lee (2011, 8, 63, 88, 142) has implied that ethnic discrimination pushed Taiwanese workers to support political opposition after the independent labor movement started in the late 1980s. While it is true that the labor activists were largely anti-KMT (see chapter 7), it was not because of ethnic repression only. Partisan discrimination itself constituted a source of grassroots grievances. Relatedly, David Yang (2007) has challenged the conventional wisdom in seeing Taiwan's middle class as the prodemocracy protagonists

by highlighting the significant electoral support for the opposition among the working class. Yet, except for ethnicity, he could not find a rational explanation for this, since the DPP pursued a nonclass strategy out of "the cold calculus of electoral politics." Hence he was forced to argue that workers' consciousness was mainly "inchoate" or "affective" (D. Yang 2007, 531–32). Both authors neglect the politics of partisanship analyzed in this chapter, whereby the rank-and-file workers not only resented Mainlanders but also co-opted Taiwanese party members.

As stated above, Chen Xiqi's successful career was denied to the majority of Taiwanese workers, who were either unwilling or unable to trade their political loyalty for material benefits. The existence of a few co-opted Taiwanese workers reduced the ethnic cleavage. The most typical response of workers was to assume a docile façade to stay away from political troubles. They obtained party membership, donated money for patriotic purposes, and joined political campaigns without embracing the regime ideology. Ritualism became the dominant form of workers' reactions because the watchful eyes of security agents and their informants made other alternatives highly unrealistic. Consequently, workers retreated from proactive forms of resistance into pure survival-oriented defensive resistance.

Chapter 5

Politics of Position: The Perverse Effect of Internal Labor Market Reform

The anemic performance of Taiwan's SOEs was criticized by the domestic opposition and American advisors; even the economic officials who had hands-on experience were not satisfied with it. While the former two camps were in favor of privatization, the latter demonstrated a statist faith in "rationalizing SOEs" (*gongying shiye jiyehua*), with the internal labor market reform promoted in the early 1960s as the most important attempt to revitalize the ailing state sectors. This chapter analyzes how this well-intended reform backfired because it failed to address the root causes of ethnic discrimination and party-state domination.

Here, I will first introduce the political and economic background of this reform.

In the 1950s, Taiwan's anticommunist opposition coalesced under the magazine *Free China*, which was also a champion of economic liberalism that criticized the disproportionately large presence of government in industry. *Free China* published many exposés on the SOEs, such as political appointments of directors and supervisors,[1] corruption among higher management,[2] financial losses,[3] and the unreasonably generous welfare.[4] *Free China* was mainly led by mainland intellectuals, and hence while they were vocal critics of the KMT's party-state control, they remained conspicuously reticent about the ethnic domination. In 1960, the KMT decided to pulverize the *Free China* opposition, following its leaders' ill-fated attempt to work with native politicians toward organizing a new political

party. By banning the magazine and jailing its leaders, the government effectively silenced the domestic criticism of its vast industrial sector.

The other source of economic liberalism came from the United States, whose support was vital to the KMT regime's defense against the communist invasion. Between 1951 and 1965, Taiwan was a recipient of US economic and military aid, which amounted to USD 100 million annually. Because of their belief in the free market, the American advisers did not endorse the KMT government's commitment to the state-managed economy (Jacoby 1966, 146; Wade 1990, 182). Nevertheless, since the nationalization decision had already been made, they could influence the KMT's economic policy making only indirectly. With American technical support, the government first launched the Land-to-the-Tiller program in 1953, transferring landowners' farmland to tenants. In order to compensate the dispossessed landowners, four major SOEs were privatized. This remained the only instance of postwar privatization until to the neoliberal turn some 40 years later. Secondly, the US officials insisted on prioritizing aid to the private sector. Hence the emerging industries of the 1950s, such as textiles and plastics, started as private ventures. Thirdly, in anticipation of the gradual termination of aid, the KMT government accepted the suggestion of trade liberalization in 1961.

With the turn to export-oriented growth, the economic significance of the SOEs declined because they produced primarily for the domestic market. The ranks of Taiwan's working class were expanded primarily through two channels. First, multinationals established local assembly plants by recruiting largely young and female workers from the rural area. Inexperienced in the urban world of industry, they rarely took collective action to challenge their low-wage labor and had to "vote with their feet," which explained the high turnover rate in these firms (Gallin 1990; Kung 1976; 1994). Secondly, the turn to export-oriented industrialization gave rise to an extensive subcontracting network of small firms that relied on labor from family, kinship, or local networks. The small size of these workplaces meant class relations were often overshadowed by social connections, which prevented workers from taking more aggressive action to address their grievances (Cheng and Hsiung 1992; Hsiung 1996; Ka 1993). Workers in export-oriented industries began to engage in protests only in the 1990s, when their bosses relocated production to lower-wage countries and failed to pay them the legally required severance and retirement pay.

The American consultants were rarely allowed to meddle with the intrafirm management of the SOEs, and hence they remained largely ignorant of the divisive politics of ethnicity and partisanship. Nevertheless, it was due to their sponsorship that the government adopted the system of "position classification" (*zhiwei fenlei*)[5] in reforming its SOEs in 1965. The US aid provided a sum of NTD 2,378,000 to finance the Ministry of Economic Affairs in promoting the reform (Wen 1990, 236). This system was first used by the US federal government in 1923 for rationalizing the public-sector workforce. Couched in terms of scientific management, the system was designed to ensure the principle of equal pay for equal work and to use a graded hierarchy to enhance production efficiency. The KMT's technocrats promoted this personnel reform not only because it exemplified the technical modernity of an advanced capitalism that Taiwan sought to emulate, but also because they were unable and unwilling to address the pernicious effects of ethnic discrimination and party-state mobilization. A purely technical solution became virtually the only option left in reforming the ailing state sector.

This chapter will show the limits as well as the perversion of the exclusive reliance on a technical solution without taking into consideration the larger political environment. The preexisting evils of ethnicity- and partisanship-based domination and discrimination did not vanish, but rather continued to corrupt the new personnel system. Facing decreasing career opportunities and greater power among their superiors, workers at the bottom tier began to engage in a new strategy of *guanxi*, in which they used bribery and flattery to outmaneuver their colleagues. *Guanxi*, literally "connections" in Mandarin Chinese, means the instrumental use of interpersonal relations to obtain certain advantages. The unanticipated result was that this new layer of divisive politics was superimposed upon ethnicity and partisanship, which made Taiwan's SOEs even more unproductive.

From Qualifications to Performance

Prior to the comprehensive personnel reform in the early 1960s, Taiwan's SOEs adopted a two-tier system of staff and operatives to administrate their workforce. The previous rule was called the "rank classification system" (*pinweizhi*), and its basic idea was to assign a position according to one's qualifications at the time of entry, usually evaluated by educational level. The rank classification system

was fundamentally an extension of the civil service structure to production units. Once a new entrant was given a certain position that corresponded to one's qualifications, a fixed rule of seniority (*nianzi*) applied, meaning that wage increases and job promotions were automatic, as long as one passed the annual evaluation. Except when it came to appointment for high-ranking positions, there was little competition among colleagues. Even the management acknowledged the virtues of the older system for it contributed to harmonious and stable relations in the workplace (CPC 1981, 98; 1996, 564).

In reality, this system undergirded discrimination based upon ethnicity and partisanship, which did not bother the government officials. For them, the central issue was to make the SOEs more efficient. According to Xu Lide, a veteran economic bureaucrat who oversaw the implementation of reform in the 1960s, the personnel issue had been a persistent concern in officialdom. By then it was already widely acknowledged that the burgeoning private industry had outperformed the SOEs, which suffered chronically from "personnel bloating" (*renshi pengzhang*) (Xu 2010, 98).

To rectify this problem, officials came to accept the idea that the workforce should be remunerated according to their actual performance, rather than their prior personal qualifications. "Fairness" in the sense of "equal pay for equal tasks" was thought to stimulate employees' willingness to work hard. Rather than automatic wage increases, competition for promotions should be encouraged. It was in this context that the American system of personnel administration was adopted in Taiwan's SOEs. As early as 1956, the government had been experimenting with this novel personnel system at some units, but it was between 1963 and 1965, that this measure was finally universalized.

The new system had the following two features. First, it professed to bring about an objective and fair method of position assignment and wage determination. Toward this end, what every employee actually did in his or her daily routine needed to be carefully studied. By compiling and comparing data from these "job analyses," the management was able to evaluate the individual contribution of each employee and thus determine the proper position and its corresponding wage. Each individual SOE unit set up a position-classifying work committee (*zhiwei guiji gongzuo weiyuanhui*) to undertake this task. If workers found their worth to be underestimated, they could theoretically file individual complaints to the committee and have the case reconsidered.

Secondly, in order to make career promotion less automatic and more competitive, the existing dualism of staff and operatives was not only retained, but the wage differential was also enlarged. Previously a senior operative could easily earn more than a young staff recruit who occupied the position of a subsection chief because wages increased annually without exception. As a result, the income gap between white-collar and blue-collar workers within the same company was deliberately widened. Yang (1979a, 113) has estimated that, afterward, a young staff earned as much as one-third more than a senior operative.

Under the new scheme, "staff" and "operative" ranks were replaced with "classification position" (*fenlei zhiwei*) and "evaluation position" (*pingjia zhiwei*). However, in colloquial use the former appellations were retained because the hierarchical distinction continued, if not deepened further. Furthermore, there were more refined differences both within classification position and evaluation position. Classification position now had 15 grades, and evaluation had 12 grades. Each grade (*deng*) had a different number of subgrades (*ji*). Any employees who passed the annual evaluation could now advance a subgrade; however, when they expected an upward change in their grades, quota restrictions applied, and the aspirants had to compete for limited chances, which were ultimately decided by the superiors.

By substituting what the employees possessed (qualifications) with what they actually did (performance) as the criterion of remuneration, the reform amounted to an attempt to institute an internal labor market within Taiwan's SOEs. Based upon the principle of scientific management, the reform sought to measure the objective worth and requirement of each position and to establish a fine-graded job ladder for employees. Implementing an internal labor market meant that the company itself was restructured as a competitive market so that when a position became vacant, it was assigned to the best qualified persons through a selective process in a similar fashion to what the company did when hiring new recruits from without (external labor market).

The notion of the internal labor market highlights the fact that contemporary firms use a series of quasi-market devices to solve the problem of the "allocation and reward of labor" (Stark 1986, 492). In the existing literature, there are two explanations for the emergence of internal labor markets in modern corporations. It is viewed as either a method to increase efficiency by rewarding the most competitive and hardworking employees (Tilly and Tilly 1998, 174–75)

or as a labor-control device to neutralize class collective action from below (Burawoy 1979, 77–108; Edwards 1979, 182–83; Tilly and Tilly 1998, 175).

These two explanations are not mutually incompatible; more importantly, an internal labor market functions as an institution that comes with redistributional consequences for workers. The following sections will demonstrate how the quest for efficiency in Taiwan was frustrated precisely because of the preexisting antagonisms. Instead of making SOEs more productive, the reform engendered a new politics of position, in which subordinate workers competed for higher positions by pulling together all kinds of *guanxi*.

THE ILLUSORY OBJECTIVITY

The reform was predicated on the assumption that all the jobs in an organization could be objectively described, assessed, and compared regardless of the formal titles of position and the personal qualities of position holders. Ministry of Economic Affairs' officials prepared a uniform survey form for all SOEs. There was a standard procedure in observing, interviewing, and recording what individual workers did in their daily routines. Once a preliminary analysis was finished, it had to be signed by the workers for verification. When all the jobs in a workplace were analyzed and the proper grades and subgrades were assigned for every employee, anyone who was dissatisfied with the new position could file a complaint. In principle, the procedure exemplified the belief that fairness in equal pay for equal work contributed productivity gains so that an official even characterized the reform as "democratic" (CPC 1981, 99).

However, the formalistic guarantee itself was powerless when it encountered the reality of a politics of partisanship. The available archival sources indicate that the personnel managers exclusively instructed KMT party members on how to deal with the job analysis. The party branch promised that "appropriate consideration" should be given to the party comrades.[6] In the party meetings, KMT workers could also learn more details about the new system.[7] In other words, party membership allowed certain workers to gain not only firsthand knowledge of the impending reform, but also preferential treatment in the grading arrangement.[8]

Furthermore, since the KMT cadres were usually concentrated in the personnel department, it was usually the case that these cadres were given the task of analyzing and grading the entire workforce.

In the case of the CPC Kaohsiung Refinery, although the director nominally headed the powerful position-classifying work committee, it was the managing vice-director who actually presided over the meetings.[9] And that person was no other than the secretary of the party branch.

The political bias was particularly noticeable in how KMT political workers were classified. A custom-made job category, "industrial relations" (*gongye guanxi*), was invented to designate their work. According to 1967 personnel data on the 22 TSC refineries, all 292 employees subsumed under the category "industrial relations" were graded by classification position, rather than evaluation position.[10] Politics of partisanship clearly corrupted the proclaimed objectivity.

Politics of partisanship affected the distribution of position; so did politics of ethnicity. Ethnic identity influenced the way workers' performance was assessed and classified. As stated in chapter 3, mainland ex-soldiers were rehired in the SOEs to alleviate the burden of military outlay. In 1964, 7.5 percent of those on the TSC payroll were ex-soldiers. Because most of them did not work well, the reform was postponed for them for a certain period of time.[11] Individually, Mainlanders also received higher positions. A Taiwanese second-generation TSC worker still bitterly remembered that his father was given an unreasonably low position at the same time as his mainland coworkers were promoted. There was another interviewed CPC worker who I initially mistook as a Mainlander because of the accent on her speech. Upon the third interview, she finally revealed that she was Taiwanese, and precisely because of her widely misconstrued ethnic identity, she obtained a fourth grade evaluation position, instead of third grade, as it would have been expected. She reckoned the "felicitous mistake" saved her at least ten years in career advance.

The internal labor market reform did not transcend the preexisting dual politics of partisanship and ethnicity, but rather became entrapped and compromised by them. The inability to objectively appraise a worker's actual performance fatally damaged the supposedly rational design of a job ladder since the initial positioning turned out to be arbitrary. Hence, a perceptive CPC worker wrote the following observation: "In classifying positions, they even created positions for certain persons. It was no less than classifying 'persons' since 'positions' ultimately depended upon 'persons.' Furthermore, 'skillful' persons are sometimes allowed to possess classification positions and sometimes evaluation positions. They kept alternating positions and were promoted constantly."[12]

Yang Qingchu, who personally witnessed that chaotic period of transition, also commented, "Evaluation was not so much about work, but rather about personal connections and background" (Yang 1975, 19). Yang's observation was echoed by Wang Tuo, another contemporary novelist and social critic: "There were some senior and skilled workers who failed to build good relations with their bosses and ended up with a lower grade than junior and less skillful workers. Those who received higher grade and more pay were jubilant, while those who got lower grade and less pay were grumpy" (Wang 1977, 27).

A group of frustrated workers in the CPC Kaohsiung Refinery demanded that the management publicly announce the appraisal result for every employee. However, this request was categorically rejected because the company claimed the evaluation was based upon each individual's work and should not be used to compare with other persons.[13]

The Pseudocompetition for Promotion

The second problem with the reform was that it made the career trajectory of rank-and-file workers more unpredictable. Inherent in the logic of an internal labor market was that career promotion should be reconstructed as a selection process, rather than proceed by automatic advancement. A more elongated and finely graded ladder became necessary so that every little upward step could be used as an incentive to stimulate performance.

The reform brought about a great detriment to the career chance of rank-and-file workers. The new grade and subgrade rule penalized operatives because of the widened wage gap between classification position and evaluation position. For example, workers who became foremen in their fifties were lucky if they possessed the twelfth grade in the evaluation positions, which corresponded to the sixth grade in the classification positions, typically the entry level for a college-educated staff newcomer. Thus, there had been a recurrent grievance that manual work was being severely underestimated. The complaint that an operative who toiled for 30 years was treated no better than a staff with merely four years in service was often heard. It was apparent that the career ceiling for operatives was too low; even the management recognized this problem.[14]

Many operatives found the new grading system both highly restrictive and competitive. Before the late 1980s, all the evaluation positions

above tenth grade were fixed by a quota, and promotion was only granted upon passing an examination. A 1968 document on three TSC refineries showed that 58.0 percent of operatives were placed in the eleventh and twelfth grades.[15] In other words, three years after the universal implementation of the new system, more than half of the operatives already faced the suffocating pressure of the ceiling effect, and their career chances became extremely limited. Partly in order to placate the discontent among operatives, the government established extra thirteenth and fourteenth grades for evaluation positions in 1970 (CPC 1981, 99); nevertheless, the higher grades of the evaluation positions (eleventh through fourteenth grades) were still restricted by quota.

While senior operatives were collectively trapped in a career blind alley, younger ones faced an exceptionally narrow channel for career advancement. To obtain a position above the eleventh grade, they needed to pass a cutthroat examination, which appeared opaque and arbitrary to them. A CPC worker, who later became one of the TPWU leaders, had to suffer such painful experiences. He spent several years in taking the promotion examination to the eleventh grade but failed two times, even though he once obtained a nearly perfect score. After the rise of independent labor unionism in the late 1980s, the examination requirement was abolished. Only then did he succeed in advancing to the eleventh grade.

To add insult to injury, the new system of the internal labor market required that wage differentials be widened so that employees would be better motivated. Since it was politically infeasible to downgrade payment for the entire bottom half of the workforce, the only way that remained was to increase the wages for the upper tier. The available records show that many staff employees received a windfall fortune at that time. A retired CPC employee recalled that he once collected a compensation of more than NTD 7,000, as if he had "won the lottery" (Petroleum Industry Retired Persons' Association 2011, 242). Another staff member, who held a seventh-grade classification position, saw his monthly wage rise from NTD 1,520 to 3,200 (Petroleum Industry Retired Persons' Association 2006, 527).

How SOE workers experienced the internal labor market reform varied substantially. Those who were at the lower rung saw their career chances become more challenging, while those in higher positions were given better treatment. There was a visible Matthew effect of "the rich getting richer and the poor getting poorer." The principle of competition was selectively applied, with only those in the lower positions having to bear the consequences of increasingly scarce promotion opportunities.

An Emerging Politics of Position

The internal labor market reform resulted in more volatile relations in the workplace. The CPC Kaohsiung Refinery reported that 10 percent of employees did not consent to their new grade,[16] while 9.9 percent of the TSC employees filed a request for reassessment.[17] However, these figures represented only a small fraction of the real situation. Since there was a procedural requirement that dissenting workers needed the approval of their supervisors to proceed with their claims (Yang 1975, 15), it is a safe assumption that there were more discontented workers than those who actually submitted the reconsideration request.

The available official records also show that victimized workers employed a wide variety of methods to address their grievances. Some workers wrote anonymous letters to the concerned authorities to report the irregularities they witnessed.[18] KMT members used social survey as a channel for demanding more transparency in grading.[19] There was a union representative who raised a motion to discuss the unfairness in classification.[20] A group of CPC workers collectively refused to acknowledge the result until a high-ranking manager met them personally and promised to have their cases reconsidered (Petroleum Industry Retired Persons' Association 2011, 91). Evidence showed that these complaints even reached the KMT officials at the national level (KMT Central Committee Fifth Division 1975, 77).

Facing these simmering disgruntlements, management justified the reform by arguing that there was no worker whose existing wage and benefits were negatively impacted.[21] The head of the CPC Kaohsiung Refinery Personnel Department acknowledged that the classification outcome violated the spirit of reform. But he explained this as an unfortunate result of human nature, because everyone was "striving for the best for themselves" (Gong 1971, 510). What these rationalizations tried to deny was that the reform systematically favored the upper half of the workforce at the expense of the lower half. Consequently, positions within the company hierarchy became even more contentious.

With the internal labor market restructuring, a new politics of position came into being, which can be seen in the following three dimensions. First, good positions became more rewarding; the range of pay was purposively widened. Upper-level positions were made more enticing so as to elicit more effort from the lower-level workers. According to the official data, the reform increased the overall payroll of the TSC and the CPC by 63.7 percent and

178.8 percent, respectively (Planning and Installation Committee of Position Classification, Ministry of Economic Affairs 1965, 55); however, these benefits were unequally distributed. Hence, one CPC manager proudly claimed that the reform made its male staff very popular in the marriage market, without mentioning the plight of operatives.[22]

Secondly, good positions became more and more difficult to come by. The pressure of competition was only felt by operatives. Advancing into higher grades was no longer automatic, and that was why many workers stayed in the same grade for many years, even though they had reached the top subgrade within the given grade—an awkward situation they described as "*tobu*" (a Taiwanese adaptation of the English loan word "top" in Japanese).

Lastly, the supervisory positions came with more discretionary powers, because their annual evaluation of performance became the most decisive factor in determining a worker's career pattern. From then on, how many grades and subgrades one could advance in year, how much annual bonus one could receive, whether one was allowed to take the promotion examination, and whether a senior operative could become a foreman ultimately depended upon one's immediate superiors. Supervisory staff not only obtained better wages, but also became more powerful.

The internal labor market emerged as a new institution that produced far-reaching distributional results. Had the reform followed the official principle of scientific neutrality and measured each worker's contribution objectively, it would have resulted in a complete displacement of ethnicity and partisanship by positions. Nevertheless, the reformers did not have the vision or capacity to engineer such a revolutionary change. Instead, what really happened was a simultaneous mixture of the old and the new forms of politics. First, the previous cleavages based upon ethnicity and partisanship were reincorporated, rather than transcended. Secondly, positions per se came to stratify the workforce to an even greater extent. Positions were layered upon ethnicity and partisanship, thus giving rise to a more complicated pattern of working class division.

The Deepened Difference between Staff and Operatives

Although the reform replaced the titles "staff" and "operative" with "classification position" and "evaluation position," in colloquial

practice the former appellations were retained, not only because the new labels were not intuitively understandable, but also due to the fact that their difference in monetary compensation, benefits, and social esteem had been further widened so that there existed an almost unbridgeable divide between the two distinct status groups. Manual work performed by the operatives was deemed to be dirty and unworthy; hence, only the white-collar staff could enjoy privileged treatment from their company.

The staff-operative relationship was highly authoritarian, and one common complaint from operatives was that they felt they were being treated without dignity. In managing the workplace, some supervisors talked as if they were issuing commands without even properly addressing their subordinates. There were practically no limits on how managerial authority could be exercised, and hence operatives felt they were often mistreated. An interviewed worker claimed, “They would pour their frustrations upon us, even after a domestic fight with their wives.” The dictatorial style of supervisors was comparable to the magisterial mandarins “who always abused their authority” (TPWU Local One 1994, 54). Thus, there was an often heard military metaphor to describe the workplace situation: members of staff were officers, and operatives were soldiers. The only real relation between the two groups was command and obedience.

Operatives were needed to get the job done, but they were not supposed to raise questions. They were comparable to the indentured servants in the past, “who had ears but no use of their mouth” (TPWU Local One 1994, 76). For them, many management practices functioned as a shaming ritual, the only purpose of which was to humiliate the operatives so that they would “know their place.” Take, for instance, the routine of attendance inspection (*chaqin*). It was described as follows: “The higher up officials are, the more wisdom they are supposed to have. Is it reasonable that they execute the company’s orders with such haughtiness? Look at how the attendance-inspecting teams behave! They are rather like government soldiers trying to round up bandits. Are we operatives thieves? Should we be examined by these mandarins?” (TPWU Local One 1998, 201).

The unsymmetrical relationship between staff and operatives also extended to the nonworking areas. Because the spatial design of Taiwan’s SOEs had integrated productive facilities and residences since the Japanese period, the unequal treatment of the two groups became inevitable.

The residential arrangement at the CPC Kaohsiung Refinery crystallized this discriminatory practice. The staff residential complex was located closer to the administrative area, while the operatives' complex was in the vicinity of factories, which meant the latter was in constant exposure to the pollution emitted by the petrochemical facilities (see Figure 5.1).

The housing accommodation for staff employees and operatives differed in many aspects. Operatives lived in crammed townhouses or apartment units, while staff employees were assigned single-family one-floor apartments with gardens. Hence, the staff residential complex looked like a leafy meadow park with sparsely dotted houses. The two gates to the staff complex used to be guarded by policemen; outsiders and operatives were not allowed to go inside without permission. Many second-generation CPC operatives shared a painful

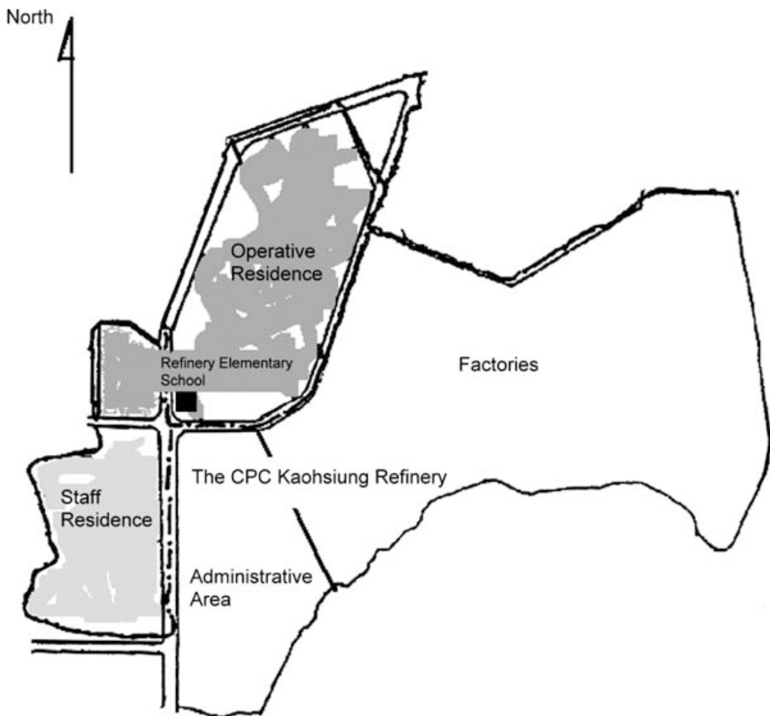

Figure 5.1 Map of the staff and operative residential complexes at the CPC Kaohsiung Refinery.

childhood memory of being chased away by mean policemen. In recent years, as the CPC tried to improve its public relations with neighboring communities, the entry restriction was removed. Following this, many local outsiders frequently exercised and took strolls in the staff residential complex; however, the same did not happen in the operatives' complex. It was not surprising that an interviewed second-generation worker received such career advice from his father: he should either study hard to go to college and move to the staff residence or start a business outside and leave the refinery permanently.[23]

The distribution of welfare facilities between the residences also reflected the principle of differential treatment of staff and operatives. The following table itemizes the differences.

Generally speaking, there were three kinds of differences. First, there were the common facilities available in both residential areas, such as swimming pools, tennis courts, and restaurants, but the ones in the staff complex were superior in quality and quantity. Secondly, there were some facilities that were limited to the staff complex only. The guest house and gymnasium were particularly designed to serve privileged clients. Lastly, the facilities that were exclusive to the operatives' complex were usually what could be called "locally unwanted

Table 5.1 Welfare facilities in the staff and operative residential complexes at the CPC Kaohsiung Refinery.

	Staff	Operative
Swimming pool	One indoor pool	One outdoor pool
Tennis courts	Six	Four
Ice rink	One large rink	One smaller rink
Dining place	One restaurant for banquets	One cafeteria
Guest house	One	None
Gymnasium	One	None
Golf course	One (Nine-hole)	None
Bowling parlor	One	None
Baseball field	None	One
Food marketplace	None	One
Mortuary and crematorium	None	One

Note: The CPC Kaohsiung Refinery residence was incrementally built in the postwar era upon the rudimentary basis left from the colonial period. Understanding the unavoidable constant modifications, this table documents my observations in 1999.

land uses" (LULUs), such as the noisy and dirty food marketplace and the inauspicious mortuary and crematorium. Furthermore, both the baseball field and the golf course took up vast areas of land, and their contrast highlighted the distance between elite and mass cultures. As a group sport, baseball came with the possibility of physical collision and injury, which obviously made it more "suitable" for manual workers.[24] By contrast, golf—elegant and individualistic—appeared "natural" for the managing stratum. Consequently, through the meticulous arrangement of welfare facilities, the entire workforce was organized into a species of "homo hierachicus." One's position in the internal labor market had a profound influence in determining one's needs in everyday life. Even in off-duty time, operatives remained inferior.

With such a hierarchically ordered company residence, workers' family dependents were also incorporated under the "separate and unequal" arrangement. In the company school, the parental status of students determined how they would be treated by the teachers. Operatives were generally of the opinion that their children were often neglected by the school and that teachers' attention was usually focused on staff members' children.

The Kaohsiung Refinery supported a kindergarten, an elementary school, and a junior and senior high school for its employees. Hence, the distinction between staff and operatives was a deeply implanted notion for many schoolchildren. From very early on, they knew there was a clear demarcation between those who left school campus through the front gate (to the staff complex) and those who used the back gate (to the operatives' complex) (see Figure 4.1 for the location). There was an episode in the early 1980s that illustrates the tension at school. The CPC elementary school held a "Little Mayor Election" event, in which a girl from the operatives' residential area won, probably because of the numerical predominance of operatives. However, this result triggered a protest from the mothers of the staff residential area, who simply could not accept the fact that their kids lost a competition to those who did not have the "proper upbringing." The school administration took efforts to pacify these discontents so as not to create a public scandal.

The female spouses of the predominantly male workforce were not immune from the divisive status distinction. In addition to the abovementioned women's mutual associations, the company also sponsored a wide variety of activities for spouses. However, it was often the case that the wives of staff members talked about their husbands' careers

and their family trips abroad so that the wives of operatives felt personally humiliated. Thus, the segregation was reproduced in women's activities. If participation from staff wives was expected to be high, operatives' wives would rather stay out of the event.

The status distinction between staff and operatives could be dated back to the colonial era, and so was the discriminatory arrangement in company residences and welfare facilities. What the 1960s reform brought about was to make the difference in positions even more salient, far-reaching, and almost unbridgeable.

According to the logic of the internal labor market, the status change from operative to staff was possible and could be used as an incentive to motivate the employees. In reality, such a chance was rare and difficult. Between 1946 and 1980, the CPC only held five operative-to-staff promotion examinations (CPC 1981, 101). From 1960 to 1962, the TSC promoted 89 operatives to the rank of staff, while it newly hired 382 to staff positions (the author's calculation based on TSC Personnel Department [1961–63]). The endorsement from one's immediate superior was a necessary condition to be qualified as an examinee.[25] This requirement granted the supervisors veto power to block the career of aspiring operatives. Any workers who failed to please their superiors had only slim chances of taking the promotion examination. Hence there was a suggestion at the TPWU Local One in the early 1970s that the required endorsement should be abolished.[26]

The fairness of promotion examinations was widely seen as dubious. Yang Qingchu argued, "The result of a promotion examination is already decided in advance, taking the exam is a mere formality" (Yang 1975, 87). The perception that the examination was a sham was widely shared among the workers I interviewed. Even the CPC personnel managers acknowledged the prevalence of rumors about favoritism, although they insisted proper measures had been taken to ensure secrecy and fairness (Petroleum Industry Retired Persons' Association 2011, 88–89). The confirmed existence of these complaints showed that many personal issues were believed to be involved in the supposedly objective decision making. Hence, a pseudorational personnel reform gave rise to the intensified use of *guanxi*.

"Going through the Back Door"

As a distributional rule that divided the working class members into winners and losers, the internal labor market appeared a more

accessible route to success for the disfranchised workers when compared with ethnicity and partisanship. Granted the fluidity and negotiated characteristics of ethnic boundaries in Chinese societies (Harrell 1996, 3), the Mainlanders-Taiwanese distinction was too salient to be crossed over. Partisan loyalty required participation in a number of political rituals, which was not an affordable option for dissidents or those who preferred to stay clear of political troubles. Accordingly, position became virtually the only available route to personal success for the underprivileged workers, the majority of them being non-KMT and Taiwanese. The rush for position was intensified because the internal labor market reform enhanced the superiors' discretionary power. Politics of position invited countermeasures from below, as workers began to utilize and produce instrumental-personal ties, or *guanxi*, to obtain higher-level positions—a practice that had been widely referred to as "going through the back door" (*zou houmen*), with the implication that performance was the less frequently used and less useful, albeit legitimate, "front door" for career advancement.

There were several methods in practicing *guanxi* for personal advantage. "Giving a red envelope with cash" was the most direct way to win the favor of superiors. An oft heard joke was that a worker who failed in the promotion examination was "consoled" by his wily superior, "Next time you should come to see me 'in advance'/'with money' (*tiqian*)." A certain TSC director, Luo, was nicknamed "Luo the Twenty Thousand" for accepting that sum of money for a cross-grade promotion. Gifts were often used in lieu of cash, a practice particularly prevalent among sugar refinery workers, whose rural location allowed them easy access to agricultural products. In some aspects, a gift was superior to cash because of its rich symbolism of ritual and reciprocity. There was a joke about the rivalry among gift givers. The worker who gave his boss a chicken won in the promotion examination because his competitor's peanuts were devoured by the animal that served as the gift. In his short stories, Yang Qingchu (1975, 85) described a scene in which a supervisory staff employee's residence was completely overflowed by gifts during the lunar calendar New Year. Hams, dried fish, and sausages were simply placed outside of the house, as if they were "a treat for the sun."

Workers could also provide personal services in kind, such as house cleaning, chauffeuring, and pickups, in order to make a favorable impression. A TSC worker was said to perform the service of chopping wood for his boss and thus constantly received positive annual

evaluations even though he was often absent from work. When the CPC Kaohsiung Refinery top managers played golf in the residential complex, it was usually their subordinate workers who "volunteered" to be their caddies.

Activities of what feminists called "homosociality among heterosexual men" (Bird 1996, 120), such as drinking, gambling, and going to sex-service bars (*hehuajiu*, "flower-drinking"), also helped to create *guanxi*. According to an interviewed CPC worker, whenever there was a change in the personnel, adept workers would always pry about the leisure habits of their new superiors. No matter whether it was wine, women, or mahjong, once a supervisor had hung out with his subordinates, he was hardly in a position to reject the subsequent requests. A worker later recounted the situation as follows:

> Being a good drinker is very rewarding. If you can follow your superior like a loyal dog, drink wine and say good things, you will have best score for the annual evaluation, in addition to merit points and bonuses. However, if you lose control, you will receive a bad annual evaluation for the following three years. There is no way you can argue with a mandarin. It serves you right if you always say stupid things when drunk and do not know how to flatter your boss. (TPWU Local One 1994, 320)

In short, bribery, gift giving, and flattery constituted the essence of a *guanxi* transaction in which subordinate workers sought to create a situation of social indebtedness on the part of their superiors so that they could cash in when it came to the distribution of promotion opportunities. As the above quotation reveals, building *guanxi* was a subtle art that required a certain level of interpersonal skills. Since the *guanxi* practices were either illegal or morally reprehensible, it had to proceed away from public scrutiny. The extensive use of *guanxi* strategies brought about further fragmentation of the already fragile class solidarity because workers competed against themselves. The scarcer promotion opportunities were, the more valuable the superiors' favor became, and the more deeply workers were trapped in a Hobbesian "war of all against all."

During the high Leninism of the 1950s, loyalist workers were the abhorrent figures among the working class for they were perceived as taking illicit advantage of others. With the implementation of internal labor market reform, skillful *guanxi* manipulators became the new villains. Yang Qingchu wrote a vivid passage that reflected the

universal resentment against them. In a short story, a worker was at a loss as to how to please his superiors. His mischievous colleague suggested that he should use the secret of "massaging balls" (the deprecatory term for *flattery* in Taiwanese), but he was even more confused by the term. To make fun of this hapless fellow, his colleague said:

> "You want to learn how to massage balls? It's really simple. Come here, I'll tell you how." Ah-Ch'uan put his hammer down and ran over to demonstrate for Old Feng. "Go over to the barbershop and get the manicurist to do your nails up bright and shiny and put on polish. Then pick a time to run over to your boss's home. Tell him to sit on the couch and lean back. Put a footstool under his feet so they're raised high. Squat in front of his lap, grasp his drooping nuts in both hands and lift upwards. That's how you do it. Damn, isn't that simple, you jerk?" (Yang 1978b, 107)

This colorful description portrayed the moral judgments against workers who used *guanxi* to obtain personal benefits. By accentuating the "obscenity" (from the heterosexual worker's perspective, of course), the author identified "massaging balls" as a thinly disguised form of self-prostitution, which a self-respecting worker would never have done. Once a worker kowtowed, he renounced his manhood and was reduced to an effeminate being. In a sense, the denial of masculinity showed that *guanxi* manipulators were deemed as more despicable than KMT loyalists in workers' evaluations. Political loyalty needed public demonstration and affirmation, whereas *guanxi* was more often used privately. Clearly its secretiveness was often associated with insidiousness.

Guanxi in Social Context

As a salient feature of everyday transaction in Chinese societies, *guanxi* has been observed in scholarly studies on China (Kipnis 1997) and Taiwan (Jacobs 1979). There has been an attempt to theorize *guanxi* as a timeless and essential cultural trait among the Chinese (King 1991; Yang 1994). Instead, I follow the recent "institutional turn" in *guanxi* research by focusing on the structural qualities of environment, or "the rules of the game," that encouraged people to rely on social relations to get things done (Gold et al. 2002, 13–17). In short, *guanxi* may be ubiquitous, but what is more relevant here

is how and why people use this particular strategy to achieve their goals. *Guanxi* is used as a particular strategy where workers surreptitiously build social connections with their superiors and intentionally use them to obtain better treatment in the company. *Guanxi* counts as a form of everyday resistance because only the workers discriminated against in the current system utilize this strategy, and their behavior violates the official personnel rule that is supposed to exemplify the principle of scientific rationality. However, this particular type of response brings about divisive consequences for the working class as a whole. Since the desired better treatment is limited and subject to the superiors' approval, workers' bribery and flattery result in an atomized competition in which each aspirant becomes the enemy of her or his colleagues.

Walder (1986, 179–86) has documented similar *guanxi* practices among Chinese workers. For him, the proliferation of instrumental-personal ties was a necessary corollary of implanting the party-state in the factories. Rather than selfless devotion to socialist ideology, workers demonstrated individualistic competition for petty gains. Ultimately, Walder's analysis of Chinese industrial relations derived from the insight of Jowitt (1992), who argued that the communist project of modernity via revolutionary charisma was inherently problematic and self-defeating, thus leading to the unexpected restoration of traditional features—a pathology he identified as "neo-traditionalism." Hence, *guanxi* was the progeny as well as the gravedigger of socialism.

Walder's interpretation has been challenged for assuming that "a cash nexus of employment and a labor market presents a less dependent and more desirable situation" (Womack 1991, 322). This criticism generally agrees with the outlook of market transition theory, which views marketization as a liberating force for breaking loose from political control (Nee 1991; Nee and Matthews 1996). Taiwan's case offers an interesting comparison. First, far from eroding the party-state control, the internal labor market reform actually accommodated the preexisting cleavages. Hence, marketization was not always a panacea to the disease of political dependency; neither was an oversimplified state-market dualism tenable. In the case of China's rural commercialization, the advent of the market actually consolidated the political power of cadres (Oi 1999, 192). The installation of the internal labor market in Taiwan's SOEs demonstrated the tenacity of vested interests that were adaptive in co-opting the reform to their advantage. The fact that even the lowest-rung supervisors possessed more arbitrary power in deciding the career chances of their

subordinate workers confirms the observation that "the lower reaches of a state structure gain increased autonomy from higher reaches" (Walder 1995, 16).

Secondly, Yang (1989) has argued that a gift economy based on *guanxi* emerged to carve out an oppositional sphere against arbitrary state power. In other words, Yang (1989) sees *guanxi* as a bottom-up strategy to circumvent communist domination. Walder appears less sanguine about the political outcome of *guanxi*. Prior to the popular use of *guanxi*, the communist cadres had instituted a clientelistic regime in which personal loyalty could be exchanged for preferable treatment. Even then it came with the cost of cadre corruption, as the "complex web of personal loyalty, mutual support, and material interest creates a stable pattern of tacit acceptance and active cooperation for the regime" (Walder 1986, 249). My observation of Taiwanese state workers is located somewhere between these two opposing claims. *Guanxi* started as an initiative among disfranchised workers, but its inherent competitiveness worsened worker dependence on their superiors. As forms of everyday resistance, bribery, gift giving, and flattery were proactive in the sense that participants anticipated future rewards. However, the widespread use of *guanxi* was extremely corrosive of class solidarity. That flattery was denounced as an obscene act of "ball massaging" shows the divisive impact of *guanxi* among workers.

Contrary to the culturalist claim that *guanxi* is a ubiquitous and essential element in Chinese societies, institutional variation explains why the use of instrumental-personal ties on the part of state workers assumed different contours in Taiwan and China.

Firstly, while Chinese workers' usage of *guanxi* emerged as a response to the political mobilization of the party-state, Taiwanese workers used the strategy to cope with the consequences of internal labor market reform. In both cases, *guanxi* was an outcome initially unintended, yet later tolerated, by management. Taiwanese workers employed the defensive strategy of ritualism, rather than the offensive *guanxi*, in response to political mobilization because the KMT party-state was counterrevolutionary and repressive from the very beginning. Only with the personnel reform did the positions in the company become an independent distributive rule, and its elastic criterion for evaluating worker performance opened the gates for the competitive use of *guanxi*.

Secondly, the Taiwanese variant of *guanxi* strategy was more likely to be conducted in monetary terms. Bribery, which was nearly nonexistent in Maoist China, played a significant role, and gift

giving appeared more useful than mere flattery. Relative economic affluence and the existence of a growing private market explains the more materialistic orientation in Taiwan. Ironically, while the private economy made *guanxi* more corrupt, it also offered workers a self-help route out of their powerlessness. As the next chapter will show, moonlighting workers secured an outside source of income, which helped them to gain autonomy from the divisive factory politics.

CONCLUSION

In 1966, one year after the internal labor market reform was universalized in Taiwan's SOEs, the CCP launched the Cultural Revolution. True, these two historical events were not related; however, their impacts upon state workers in Taiwan and China had an uncanny parallel. In Walder's interpretation, Maoists were troubled by the problem of corruption and inefficiency and so chose to adopt a political strategy of ascetic revitalization to increase industrial output, with the unintended consequence of an even more rampant proliferation of *guanxi*. Therefore, the Maoist approach was deeply flawed because "it speaks not to the root causes of systematic drift, but to its symptoms" (Walder 1986, 190–221).

Taiwanese economic officials also wanted to tackle the problem of low productivity. The cold-war zeitgeist endeared them to the American practice of scientific management and the idea of the internal labor market. By making positions in the company more rewarding and competitive, workers were expected to become more productive. However, the result was a new politics of position superimposed upon the previous politics of ethnicity and partisanship. Accordingly, workers' defensive and survival-oriented ritualism gave way to the acquisitive and competitive *guanxi* strategy.

In promoting the internal labor market reform, an economic official described "human sentiment" (*renqing*) as a cultural obstacle to be overcome in the "progress from an agrarian society to industrial society."[27] Ironically, however, it was human sentiment and interpersonal ties that ultimately destroyed the rationality and fairness the reform claimed to achieve. As an eloquent TSC worker put it, the workplace degenerated into a situation where "work became superficial [*gongzuo biaomianhua*], evaluation was dependent on seafood banquets [*kaoji haixianhua*], and promotion on bribery [*shengdeng hongbaohua*]."[28]

Arguably, Taiwanese economic officials committed an error parallel with the Maoists despite the polar difference in ideology. They tackled the "symptoms" (low productivity) without addressing the "root causes" (ethnic discrimination and political mobilization), and the result was an irrational workplace further corrupted by workers' everyday resistance.

Chapter 6

Moonlighting and Petty Bargaining

This chapter analyzes the simultaneous rise of two workers' response strategies, moonlighting and "petty bargaining." Despite their contrasting orientations, they were both a product of the tumultuous 1970s, which witnessed a dramatic change in Taiwan's political economy.

The trade liberalization initiated in the previous decade had deepened the linkage with global capitalism, and Taiwan had rapidly transformed into a low-wage production center for advanced countries. Taiwan's export-oriented industrialization proceeded in a particular pattern, in which small and medium enterprises pioneered the exploration of the world market, while large private enterprises and SOEs remained essentially inward looking.

Wu (2005, 284) has argued the rise of export-oriented small and medium enterprises was not an intended outcome of the KMT officials. Nevertheless, its unexpected success brought about many consequences. First, the previously prominent role of the state sector in the economy was reduced due to the growth of private business. The data from the Industry and Commerce Census indicates that the SOEs possessed 56.4 percent of national economic assets and produced 24.9 percent of national output in 1966. The figures dropped to 52.2 percent and 15.9 percent, respectively, in 1971 (see Table 2.1). The largely unregulated world of small businesses functioned as a safety net to absorb the energies of the politically frustrated Taiwanese (Wang 2001; Winn 1994). A contemporary study showed that the Taiwanese tended to embrace modern commercial values more than Mainlanders (Olsen 1972). Eventually, the growing wealth of the

Taiwanese via private business modified the postwar ethnic inequality to a certain extent.

For the SOE workers, the mushrooming of outside business opportunities also altered their relations with their employers. Moonlighting, the taking on of an additional job alongside one's formal employment, is a strategy to supplement one's fixed income with extra earnings. Gainful employment in off-duty time not only brought about additional earnings, but also lessened workers' economic dependency on the companies and their superiors. Once workers possessed independent income sources, they did not have to rely on the corrupt redistributive system based upon ethnicity, partisanship, and position. This chapter will assess the significance of moonlighting as a self-help strategy to reduce workers' dependency.

In addition to economic restructuring, Taiwan underwent a tumultuous period of international and domestic challenges. The 1971 decision by the United Nations to admit the People's Republic of China and to "expel the representatives of Chiang Kai-shek"[1] dealt a deadly blow to the KMT's overdue claim to be the sole legitimate government of China as well as the rationale for the anticommunist warfare. As Chiang Ching-kuo gradually took the reign from his terminally ill father, he had to implement a series of reforms to shore up the shaky regime. In 1972, some seats in the Legislative Yuan were opened up for popular ballot for the first time. Chiang also appointed young and educated Taiwanese into government and party positions, which had hitherto been monopolized by Mainlanders (Wakabayashi 1994, 179–86). At the same time as the incumbents were practicing the so-called political renewal (*zhengzhi gexin*), liberal intellectuals rose and advanced their demands for social and political reforms. While moderate intellectuals were co-opted by the regime, radicals joined the nascent political opposition (Mab 1976). The mid-1970s saw a "sudden political awakening" as the regime encountered organized challenges by anti-KMT (*dangwai*, literally "nonpartisan") politicians and intellectuals (Gold 1986, 111–18). The fateful decade concluded with the Formosa Incident on December 10, 1979, in which an opposition-sponsored mass rally on International Human Rights Day resulted in a brutal confrontation with police. The following round-up of opposition leaders and their court-martial delayed Taiwan's transition to democracy.

Political change also affected SOE workers. With more relaxed control, the party-state infrastructure previously designed for the political purpose of mobilization and monitoring was gradually transformed by workers. A kind of capillary action took place as workers used the party branch and labor unions as channels to file their grievances and

demands upward. The task of a regular labor union is to perform collective bargaining on behalf of its members. I identify the explosion of claims as "petty bargaining" because the claimants advanced a series of particularistic and unprincipled demands to promote their specific interests. Prior to the lifting of martial law in 1987, labor unions in the SOEs had been transformed into de facto complaint centers, although the strategy of petty bargaining rarely secured significant benefits for workers. In hindsight, the gradual conversion of labor unions facilitated the rise of militant workers.

In the following sections, I will analyze moonlighting first and then petty bargaining.

Taking an Additional Job

There is no way to pinpoint a specific time when the wave of moonlighting among Taiwan's SOE workers started. Many first-generation proletarians who experienced the great transition "from farm to factory" (Gallin and Gallin 1992) still retained a linkage to their rural past. There were workers who continued to own a plot of farmland, which they cultivated for family consumption or, if possible, to sell the surplus. A 1977 ethnography on a southern village discovered that all of its full-time factory workers were "weekend peasants" (Chen 1977, 84). As late as 1987, an independent unionist claimed the union dues were not a major concern for his members because "most of them had their own farmland so their wages were not the only income."[2] The rural location of sugar refineries in particular allowed workers to practice farming on a part-time basis. Furthermore, in the lean years of the early postwar era, company management encouraged workers to take on avocational activities in food production in order to be more self-sufficient. The CPC Kaohsiung Refinery director Ping Guo was an enthusiastic promoter of chicken breeding, and there was a sizeable chicken farm that continued operating until 1956.[3] There were some TSC refineries that sponsored courses in avocational skills for the employees and their family members[4] or operated agricultural production as part of the company welfare.[5] In 1975, among the 30 subsidiary labor unions of the FIUTSC, 5 were reported to operate a fruit orchard and another 5 to have a fish pond.[6]

The distinction between a supplementary source of household consumption and an additional profit-making business was certainly not watertight. One could easily cross the boundary and become a moonlighter. Once a worker had embarked on the moonlighting path, more

attention would be paid to her or his own private business, often at the expense of the formal SOE job. As early as 1962, a senior TSC manager decried the vice of these practices as "taking advantage of a public rice bowl."[7]

However, significant opportunities for moonlighting came around with the turn to export-oriented industrialization in the early 1960s. This was especially true for the CPC Kaohsiung Refinery workers. The establishment of the Nantze [Nanzi] Export-Processing Zone in the vicinity in 1968 attracted a massive wave of rural migrants whose daily needs had to be taken care of. Seeing a growing market, Kaohsiung Refinery workers took on part-time jobs as electricians, plumbers, cabdrivers, construction workers, and peddlers.

Of the workers I interviewed, 14 admitted to engaging in gainful activities outside of their companies. The median year in which their formal employment started was 1978. Their moonlighting activities included tea retailing, electrical work, interior design, direct sales, land brokerage, tour guiding, shoemaking, and teaching. It was a frequent pattern that moonlighters took on a series of unrelated gainful employment before settling down in a long-term career. For example, one CPC operative used to work as a cabdriver, a driving instructor, and an acupuncture teacher before starting his tour-guiding career. At the time of my interview in 2003, he was a partner of a tour agency and also worked as the guide for up to five tourist groups every year. Another TSC worker was reported to "raise canaries, grow mushrooms, run a grocery store and sell insurance policies."[8]

Nearly all of the moonlighters I interviewed asserted that they were bothered by the meager wage even though they knew their status as a SOE worker was secure. One worker kept his prior trade as an electrician after taking up his formal job with the CPC. Among the other four workers whose career pattern I was able to specify, the average time between their formal employment and starting additional jobs was five years. In other words, moonlighting started fairly early. In the first few years after entering the SOE, they became disillusioned and decided to supplement their income from outside sources. A petroleum worker-cum-electrician who entered the CPC in the 1970s argued that he would have earned eight times more than his current wage if he had decided to work for a private company. In his view, private companies were in principle meritocratic: "You can get promotion if you are willing to work hard." SOEs, on the contrary, were trapped in red tape, and personnel decisions above all were extremely unfair. "There are only three kinds of person in the Kaohsiung Refinery," he asserted. There are "those who always get promotion, those

who take examinations but constantly fail, and those who simply work without any hope of career advance."[9] Apparently for him, skill and diligence were underappreciated, and that was the most important push factor in his decision to launch an avocational career.

Initially young workers might not have the ambition to secure an independent income source. However, their senior colleagues would encourage them to do so. A tea retailer remembered the advice from his foreman not to take the formal job "too seriously" and to "seek outside opportunities." A TSC personnel staff employee who did not take a second job except growing vegetables on inherited farmland offered similar advice. He said a junior worker should first study hard for the promotion examination. If the person was not "book smart" enough, then an outside career must be developed. According to him, a TSC worker took the suggestion by working as a water-heater repairer, and finally became a successful manufacturer. Clearly, moonlighting came as the second-best option for workers. It was a self-help strategy among those who failed to obtain a desirable position in the company. Therefore, moonlighting appeared more common among operatives than staff. There were only 4 staff members among my 14 sampled moonlighters, and their involvement was more indirect and on a part-time basis, such as direct sales, teaching, and land brokerage.

Taiwan's SOEs became a fertile ground for moonlighting for many reasons. Work discipline was obviously lax and not demanding. Legally, all state workers were prohibited from taking second jobs. But workers could always silent their censorious supervisors with petty bribery. Their businesses were usually registered under their spouses' names to avoid legal trouble. Some of their second jobs, such as repairing air conditioners in summer and tea processing in winter and spring, were seasonal and required intensive labor during particular periods. With their superiors' connivance, they were always able to ask coworkers to take their shift, which could be paid back later in kind or in cash. In the CPC Kaohsiung Refinery, there was a consensual formula in which the monetary worth of each shift was calculated. In this way, even a nonmoonlighting worker became a beneficiary by being allowed to make extra income by taking others' shifts.

The moonlighters' coworkers constituted ready-made clients for their services or products. A tea retailer estimated that 70 percent of his sales went to persons he knew in the company. In my field study at the Kaohsiung Refinery, my hosts in the labor union, factory control rooms, and offices often reminded me that the tea they served was purchased from a certain coworker. The tour agency partner

proudly pointed out that the CPC outsourced the annual travels for model workers to him. In short, the world of small business in Taiwan required that "one must know people and establish relations of mutual confidence" (DeGlopper 1972, 323). The moonlighters clearly gained an advantage because they already belonged to a large workplace.

Last, there were some specific job characteristics that particularly facilitated workers in embracing such a career choice. Both sugar refining and oil refining belonged to the category of "continuous production," in which a higher degree of machine automation reduced the labor intensity of production workers (Stinchcombe 1983, 112). In addition, the necessity of shift rotation meant that many workers were regularly free during the daytime. Moonlighting workers asserted that it was better that they had some business to take care of rather than idling around in their spare time. The TSC refineries had traditionally relied to a considerable extent on sugarcane grown by independent farmers. Hence many workers were assigned the task of promoting contracted farming. With detailed knowledge of local society, TSC sugarcane promoters could exploit these assets to their own personal advantage. Whenever farmers wanted to sell their land, they would solicit the help of a promoter and pay a handling fee since he was well trusted and known in the locale.

In sum, moonlighting became a widespread phenomenon among Taiwan's state workers in the 1970s. My interviewees gave varying estimates from 20 to 60 percent of the workforce being involved. In 1980, a group of CPC Kaohsiung Refinery workers wrote an open letter to the management, which was published in one regional newspaper. The letter claimed it had become "universally known" that state workers had to take additional jobs in order to raise a whole family.[10] Yang Qingchu's tenure with the CPC Kaohsiung Refinery (1961–80) could serve as an example. Yang started a tailor shop that specialized in making suits in collaboration with his wife in 1965. After Yang became famous for his stories about workers, he established a publishing house that brought out more than 100 titles in translated and indigenous literary works (Yang 2007, 17–19).

From Moonlighting to Small-Scale Entrepreneurship

Rather than being the sole exception, many state workers were as energetic as Yang Qingchu, and their underground gainful activities improved their economic condition significantly. The most successful

moonlighters experienced a status change from employees to small-scale entrepreneurs. An early study found that the "desire for the independence and social mobility that small businesses make possible" was prevalent among Taiwan's working class (Gates 1987, 77). The predominance of small and medium enterprises in the export-oriented economy after the 1960s allowed some enterprising workers to launch their own businesses. With the phenomenal success of small-scale entrepreneurship, a sociologist called Taiwan a "boss's island" because of the abundant opportunities for such career advance (Shieh 1992).

Of the fourteen moonlighters I sampled, three tea retailers, two electricians, and two interior design contractors fell into this category. They earned profits rather than wages, and sometimes their economic activities incurred the risk of financial loss. All of them had a store close to the factory, where they went to work regularly. Their business pattern shared many features that scholars have identified in Taiwan's small-scale businesses, such as the intensive use of family resources and the blurred distinction between family and business (Li and Ka 1994). Workers in this sector relied on their savings, social networks, and above all a willingness to work hard. I have detailed information about three tea retailers, which illustrates this pattern.

They became refinery workers in 1978, 1978, and 1979, respectively, and their off-duty tea trade began in 1979, 1984, and 1988. Prior to their entry into the SOE, they all had links to the tea-making industry. Two workers and the other worker's wife hailed from tea-growing families in central Taiwan, and their migration to Kaohsiung allowed them to explore a new market in the southern metropolis.

Although tea retailing was not a costly venture, it still required a large amount of initial investment. An interviewee estimated it took NTD 500,000 to start up the business. The money covered the purchase of roasting machinery, fresh tea, and shop rental. In 2003, a CPC operative with 20 years of service earned roughly NTD 60,000 monthly. In other words, to own a tea store required more than eight months of wages in down payment. How could a worker overcome this financial hurdle and become an independent businessperson? In addition to personal savings, my field study indicated that the rotating credit association was quite popular among the refinery workers and hence could serve as a financial source. Since workers' natal families or in-laws were tea growers, the preexisting kinship ties facilitated the transaction on credit. One tea retailer obtained a loan from his father-in-law to open his store. In addition, his father-in-law gave him up to two years interest-free credit for the tea he sold.

To economize on routine expenditures, workers' tea stores were usually located on the first floor of their houses. The storefronts also functioned as their enlarged living rooms, in which they could serve tea to the customers or watch television when there was no business. When the husbands went to work, their wives kept store and took care of domestic chores at the same time. There was a gendered division of labor in that the tasks that required a certain level of skill, such as purchasing fresh tea and roasting, were exclusively done by males.

A tea retailer revealed that his store earned a monthly profit between NTD 20,000 to 30,000, roughly corresponding to the wage for a female worker in the Nantze Export-Processing Zone. Since his wife had been working there before their tea business, the profit was seen as the "wage" for his wife's storekeeping. This calculation reveals a vital aspect in Taiwan's small businesses in that family members' labor did not count as a cost. Ultimately what made workers' small-scale entrepreneurship viable was the generous use of unwaged family labor (Ka 1993), or as Shieh (1992, 140) put it, family functioned as "a surplus labor squeezer." In fact, tea retailing was probably one of the most socially embedded trades in Taiwan because customers were usually acquaintances or friends. A regular transaction typically involved intensive socializing. Customers often spent several hours sampling and sipping tea before the final purchase. Playing a hospitable hostess when her husband was away for work was a key to business success. Hence, the tea stores owned by refinery workers often became a hangout place for coworkers (as well as a useful site for field researchers), and sometimes a prolonged tea chat would disrupt the wives' routine domestic chores. One wife once complained to me about the frequent loud tea chat in the middle of the night. She and her children were kept awake, and she worried about how they were going to attend school the next morning.

The other two tea retailers appeared more successful. One used to operate a branch store in a nearby city and hired three employees to handle the business there. The other one now spent NTD 2 million each spring in the purchasing of fresh tea alone. With such apparent prosperity, one was inevitably intrigued to ask why they did not choose to quit their SOE jobs and devote full attention to their personal business. Though some of the fortunate moonlighters contemplated this option, none of my interviewees approved of such a decision. For them, a steady SOE job secured the basic livelihood—a dependable haven in the high-risk world of small business. Moonlighters knew perfectly well that their external income fluctuated, and not all of their investment was eventually rewarding. One electrician claimed to have

earned more than his CPC wage for several years by repairing air conditioners alone. Yet, he was reluctant to give up his formal job because of the guaranteed retirement benefits. One tea retailer identified his refinery job as the "chickens" and his private business as the "eggs." His reasoning was that one should not abandon chickens for eggs. Therefore, the scope of their entrepreneurship remained essentially constrained by their formal SOE employment.

Stites (1985, 243) has maintained that the pursuit of small-scale entrepreneurship was not a risk-taking strategy, but reflected "the need of factory workers for a measure of security." Such an argument could equally apply to the case of state workers' moonlighting. They were luckier than the workers in the private sector, as they had formal jobs with steady income as their cushion when they launched their private venture. By holding fast to their preexisting employment, moonlighting remained a cautious approach to supplementing one's wage.

Consequences of Moonlighting

Scott (2012, 89–91) has argued that small property comes with "dignity, standing, and honor," and such petty bourgeois dreaming "infuses the imagination of the industrial proletariat" rather than the socialist cause to abolish private ownership. It might be the case that industrial proletarians all over the world desire a better life of material security, and given the opportunity of making extra money without risking the present jobs they have, the chances are the majority will choose to moonlight. An institutionalist analysis sensitizes us to the fact that seemingly similar acts of moonlighting in diversified social contexts engender different significances and consequences.

In transitional socialisms, such as those seen in Hungary (Kornai 1989, 57; Róna-Tas 1995, 70; Stark 1989a) and China (Lee 1998, 11–12; 2000, 46; Wang 1998), moonlighting was a popular practice among state-sector workers who intended to enjoy a better living standard than what the state provided. However, with different circumstances, the act of moonlighting was endowed with diverse characteristics. In Hungary, workers' off-duty jobs were first connived at by the officials and then formally incorporated as the "second economy" in an attempt to salvage the failing state economy.[11] Chinese workers' moonlighting, on the other hand, was largely an attempt to survive the market reform initiated from above. With their "iron rice bowls" threatened, they had no choice but to secure their own livelihoods. In Taiwan, the prior existence of a growing private market

encouraged state workers to moonlight, and the economic growth following the initial success of export-led growth in the 1960s further stimulated this trend. Moonlighting by Taiwanese workers was an act of everyday resistance insofar as it was practiced by the disenfranchised workers who were excluded because of their ethnicity, partisanship, and position in the SOEs. Moonlighting, in short, was making money by other means, and since Taiwan's law forbade state employees taking up avocational employment, it was necessary to cover up these acts by all means.

Among Taiwan's private-sector workers, the road to independent business was a form of self-help to avoid being relocated to the hopeless status of proletarians. Manual industrial jobs were demanding, unstable, and temporary at best. Only by becoming one's own boss could one find real economic security for the family (Shieh 1989). However, the SOE workers faced an entirely different situation. Their formal job was relatively easy and stable, and their major complaint lay in the fact that hard work and skill were little appreciated. Instead, ethnic identity, partisanship, and *guanxi* always took precedence when it came to career promotion. In short, state workers moonlighted not to resist proletarianization per se, but the particular form of proletarianization that came with flagrant injustices. Moonlighting, ultimately, was a subdued and indirect form of protest against such associated pathologies under party-state authoritarianism. Moonlighters might or might not have wanted to become their own bosses, but what mattered to them most was to secure an independent source of income that was free from the divisive redistributive politics in the factory.

The attractiveness of moonlighting consisted in proportionate remuneration relative to one's effort, as David Stark (1989b, 158–59) found in the Hungarian second economy. A part-time electrician asserted that all the capable workers in the refinery had a second job. Nonmoonlighters, in his view, were either "well-connected with the top management or good-for-nothing."[12] One could hardly miss the self-congratulatory pride in his exaggeration. Once they established an economic niche that rewarded diligence, the chance of promotion and welfare provided by the company appeared less enticing. Launching an outside career bestowed a personal sense of efficacy since they no longer had to trade their political loyalty or personal dignity for better treatment. Now they could improve their social status by working hard in their spare time, rather than subserviently following their superiors.

Many of the moonlighters interviewed said that their outside work was often cited as a reason to give promotion chances or better annual

evaluation to others by their superiors. Nevertheless, they were willing to accept this so long as their moonlighting brought satisfactory earnings. Most moonlighters decided to evacuate the dormitory because the company residence was not a great location to attract outside customers. By moving out of the company residence, they also became more detached from the everyday world of *guanxi* manipulation that perpetuated workers' dependency.

As moonlighters focused their attention on their outside careers, they spent less and less energy on their formal jobs and political activities. If they were not interested in obtaining their supervisors' favors, the regular eight hours a day became a boring and unrewarding drag. They hoarded their labor power for making additional income and were more likely to take a leave when their personal business required. The massive wave of moonlighting undoubtedly harmed the SOEs' profitability. I once met a moonlighter who was willing to grant me an interview during his working hours but not in his off-duty time because of his business demands.

Gates (1996, 226–27) has elaborated the significance of petty capitalism as Taiwanese resistance against the KMT's "tributary extraction" to feed the privileged Mainlanders. In particular she noted that the tiny trickle-downs from the public sector nourished petty capitalism. In their daily spending, "state workers, through their purchases of petty-capitalist commodities, circulated the taxes from which they were paid." It is true that there was an undeniable ethnic dimension here. All my interviewees were Taiwanese, and never did my informants report a case of a moonlighting Mainlander. Presumably the reliance on family and kinship networks prevented Mainlander from this economic activity. Consequently Gates's depiction might apply to the military and civil-service personnel in the earlier period; nevertheless, it erroneously homogenized the SOE workforce. As the preceding chapter showed, the internal labor market reform gave great discretionary power to the staff employees with supervisory capacity in Taiwan's SOEs. In a sense, they formed a group of what Ivan Szelenyi (1978) called "redistributive elites" because of their bureaucratic positions. It followed that moonlighting as an everyday resistance strategy was primarily practiced by the losers in the politics of position. Rather than slavishly currying favor from their superiors, it was getting rich by other means. Based upon the Hungarian experience of the 1980s, Szelenyi (1988, 8) has noted the emergence of petty commodity production and self-employment alongside state socialism constituted a "countervailing popular power." Here, in a much reduced scope and less dramatic fashion, one could equally

characterize Taiwan's state workers as having earned a modicum of autonomy through their moonlighting.

The difference in institutional contexts explains why Taiwanese state workers' moonlighting assumed a dissimilar historical trajectory to that of Chinese state workers. In the 1990s, moonlighting emerged as a popular practice in urban China. It was estimated that 30 to 90 percent of the regular SOE workforce was engaged in second jobs (Lee 2000, 46). Workers continued to enjoy their *danwei* benefits while receiving their "gray income" informally (Wang 1998, 469).

In spite of these ostensibly similar traits, the Chinese pattern of moonlighting was largely a survival tactic for the downtrodden workers, who fell from "labor aristocracy" to a new "underclass of labor" (Mok and He 1999, 76). The reform era witnessed the restoration of managerial prerogatives, and, consequently, state workers felt the socialist idea was betrayed (Lee 1998). Managers were allowed to adopt a system of "scientific management" in which more production surpluses were squeezed from workers (Zhao and Nichols 1996). The introduction of a labor-contract system aimed to break the idea of the "iron rice bowl" by making job tenure more insecure. Once the labor contract was put into practice, massive layoffs became a looming threat for workers (Howard 1991; White 1987). Managerial corruption was widely reported; payment defaults, embezzlement, and the scaling back of fringe benefits resulted in a net reduction of workers' welfare, thus giving rise to an acute crisis in subsistence (Chen 2000).

By contrast, Taiwanese state workers decided to take second jobs with the confidence that their formal employment would in no way be compromised. In spite of their regular complaints about the low wages of the SOEs, they did not moonlight out of dire necessity but in anticipation of improved economic status. Malpractices on the part of Taiwanese managers were frequently heard, but rarely did they result in factory closures and massive dismissals. In short, the act of taking second jobs assumed conspicuously different significance in Taiwan and China. Taiwanese moonlighting appeared more voluntary and proactive, and it assumed the characteristic of everyday resistance because it aimed to alter the workers' disadvantaged situation, whereas the Chinese variant was survival-oriented and defensive, with the sole purpose of preventing the further erosion of the workers' precarious status. That is the major reason why the widely used negative idiom for *moonlighting* in China, termed "jumping into the sea" (*xiahai*) for its connotation of acquisitiveness (Zhang 2008, 231), was rarely used

in the Taiwanese context. The same aspiration motivated state workers in Taiwan, China, and Hungary to launch private business ventures; however, institutional contexts determined the consequences of their efforts.

Preconditions for Petty Bargaining[13]

The 1970s also witnessed a wave of bottom-up efforts to utilize the existing channels to address workplace grievances. Grassroots workers' initiatives effectively altered the function of labor unions, even though the latter continued to be led by the KMT cadres. To use Hirschman's terms, while moonlighting could be characterized as "exit," petty bargaining was akin to "voice," albeit in a distorted manner. To understand how the institutional conversion of labor unions was possible, we should first take a look at the particular party-union nexus in KMT's Leninism.

In the classical Leninist design, front organizations, such as labor unions, were to function as a transmission belt that relayed the order from the center to the periphery. The leadership of labor unions should be placed firmly in the hands of party cadres. There was an elitist formulation of the party as the vanguard and labor unions as the mass. Union membership could be universal, but party membership should always be reserved as a privilege for the select few (Deutscher 1952, 483). As argued in chapter 3, when the KMT started to implement party-state control over Taiwan in the early 1950s, it sought to recruit Taiwanese members in particular, to consolidate its tenuous hold on a hostile island. By making party membership universally available, the KMT deviated from the orthodox version of vanguard party theory. For example, when Yang Qingchu launched his campaign for legislative election in the late 1970s, the KMT cadres tried to foil his attempt by "encouraging him to join the KMT" (Yang 1978a, 84). Such an invitation was unthinkable under orthodox Leninism. With their prominent role in welfare provision, Taiwan's labor unions were more akin to an outreach center that sought to soften the repressive image of party-state domination. However, the party-union nexus in China assumed a different pattern. Closely following classical Leninism, the CCP structured labor unions as a center for training and screening prospective party members. Workers who intended to join the exclusive club of party members needed to prove their ability by being good labor unionists (Harper 1969, 111).

In addition, classical Leninism demanded that party leadership and management in industry should be clearly separated so that the core could be securely insulated from external influences. Thus, in the Chinese SOEs, there was "a separate organizational hierarchy alongside the administrative hierarchy" (Walder 1981, 231). By contrast, since the reorganization period, the KMT party branch was incorporated as a permanent unit in the managerial structure, called the "employee-relations committee" (*yuangong guanxi weiyuanhui*). In carrying out the task of political mobilization, KMT cadres could directly use the company resources and issue commands via the administrative channels. For them, labor unions remained a vital organizational channel to launch political campaigns, but never the exclusive resource. In fact, the party branch persistently had more staff members than the labor union,[14] which meant the party cadres could always rely on other mechanisms for political activities.

Therefore, with closer integration between party branch and management, the party-union nexus in Taiwan appeared looser and allowed more autonomy for union leaders. As the following analysis will show, this structural precondition eventually paved the way for the petty bargaining of the 1970s.

Converting Labor Unions from Below

In spite of the KMT's revision of Leninism, labor unions were still designed to organize the mass workers into a mobilizable source of power. The KMT's 1951 Guidance Plan for the Labor Movement in the Current Stage (*xianjieduan laogong yundong zhidao fangan*) exemplified this principle by declaring that workers' "historical mission and supreme interest" consisted of the struggle for the national independence from communist aggression. "The protection of workers' interests" was mentioned as one of the goals, but it was placed behind the struggle against communism, "political democracy," and "economic efficiency" (Fan 2004, 257).

While the KMT architects of unionism clearly manifested the precedence of patriotism and production over class interest, what actually happened at the shop-floor level did not necessarily follow their expectations. As indicated in chapter 3, facing mass apathy toward political ideology, the KMT cadres used "service" to win loyalty, and consequently the welfare functions of labor unions were especially expanded. Over the years, worker members developed a pragmatic attitude toward labor unions. As early as 1958, a survey of KMT

members in the post and communications industry revealed this attitudinal change. More than half of the respondents thought the primary task of the labor union consisted in "protecting member interest" and "taking care of members' lives," while less than 10 percent chose the politically correct option of "promoting members' political understanding" (KMT Taiwan Area Post and Communications Commission 1960, 31). It is apparent that an economistic understanding of labor union had already crept in that violated the party-state elites' original intent. It could be safely argued that such an instrumental perspective would be more prevalent among non-KMT members.

With the widespread expectation for labor unions to promote member interests, union leaders were confronted with a dilemma. Theoretically, they were supposed to convey orders to the rank and file and ensure mass compliance to the regime ideology. However, they could only win the hearts of members by addressing their demands. A sort of capillarity took place eventually as union representatives began to relay the grassroots grievances to higher-level union officers, who had to take measures to satisfy their constituencies. By grafting onto the party-state mobilizing structure, a bottom-up communication channel thus came into being.

Although still appointed by the party branch, union leaders became more responsive to the rank-and-file demands. For understanding how such a subtle change in the role of unionists took place, an explanation by Chen Xiqi, the FIUTSC president from 1972 to 1976, is illustrative:

> I persuaded the TSC to earmark money to hold recreational activities, such as singing contests. I was often in a fight with our general manager, and he bitterly complained to the KMT secretary Mr. Cai that the party should not have selected a demanding person like me to be the president. However, Mr. Cai supported me. He said, "Chen Xiqi is a good union leader. He reports the real situation of rank-and-file members to us. *He is our eye*." (author's emphasis)

Mr. Cai's remarks underscore the fact that a certain flexible space for maneuver existed for union leaders. To work as the party's eye, they had to win the heart of the rank-and-file workers. In his study on the state-owned Tang Eng Iron Works, Shieh (2013, 240) has pointed out the similar contradictory demands on union leaders, who found themselves simultaneously distrusted by those above and complained about by those below. Even though the KMT did not allow democratic election of the union leadership, the latter had to maintain a

minimum level of popularity. Consequently the party-state connived, if not encouraged, the union leaders to advocate mass welfare, albeit often in confrontation with management.

THE EMERGENCE OF PETTY BARGAINING

Under normal circumstances, the main business of labor unions is to perform collective bargaining on behalf of its members, which is epitomized in the institution of collective agreement. In the past, Taiwan's SOE labor unions had signed collective agreements periodically with management, as promoted by the government. The FIUTSC was the first labor union to experiment with this system in 1965.[15] However, collective agreement without the bona fide bargaining was at best of ritual value and failed to address the main concerns of members. Without the possibility of organized contention, workers had but to resort to the strategy of what I have called "petty bargaining" to promote their interests.

Petty bargaining had the following features: (1) the primacy of sectoral interests over collective interests, (2) the focus on wages and benefits and consequently the relative neglect of employment and union-representation issues, and (3) the justification by comparison rather than by principle. Different categories of workers advanced a series of competitive claims for more payment and welfare, and they tended to legitimize their demands with reference to a particular group of employees within or without the company. Class interest as well as the collective interest of union members as a whole was obscured and downplayed. An extremely fragmentizing politics of petty interests gradually emerged.

Initially petty bargaining took place within the small circles of KMT members. A party member was obliged to perform the service of the so-called social survey (a euphemism for *espionage*) to the cadres periodically. This system of political surveillance was subverted from below as the would-be informants turned into claimants. Social survey then became a precious channel for raising workers' demands.

Between 1959 and 1968, the KMT's TSC publication, *Tangye dangwu* [Sugar Industry Party Affairs], regularly published selected pieces from the social survey, and the majority of them were related to payment and welfare. The fact that KMT leaders took the effort to publish them as well as the responses by company management showed that a wave of petty bargaining had emerged. A quick glance at some of these demands is instructive:

The TSC employees' children should enjoy the same education subsidy as that of public servants and teachers. (1963)
The TSC should increase the subsidy for farm workers who use private motorcycles. (1965)
The TSC workers' children who study in private colleges should be subsidized as those who study in public colleges. (1966)
The TSC school employees should be remunerated in the same way as the regular employees. (1967)

The narrowness of these demands indicates that workers were fragmented into a multitude of mutually competing groups, which were based on trivial distinctions and justified by particularistic standards. Rather than challenging the fundamental structure of classification, they simply focused on its technical application. It should be noted that most of these demands did not elicit positive responses from management for the simple reason that these claims were not backed by an effective labor union.

Petty bargaining spread from party branch to labor union. The compulsory union dues, no matter how nominal they were, encouraged the members to expect something real from their union leadership. A sense of stakeholding took root among members; it was increasingly difficult to limit union services within the given parameters.

The partial relaxation of the authoritarian grip in the early 1970s also affected party-state control in the SOEs. It was in this period that the monthly Sun Yat-sen memorial meetings were renamed as "monthly mobilization meetings" (*dongyuan yuehui*), and their function shifted from political propaganda to discussions of production and industrial safety. Concomitantly, the responsibility of organizing these monthly meetings was transferred from the KMT party branch to management. Anticommunist rhetoric as well as politicized activities, such as collective donations, became conspicuously less frequent. The FIUTSC had sponsored annual donations to the military from 1956 to 1971. After that time, the only political donation was to build a memorial for Chiang Kai-shek after his death in 1975.[16] Finally, facing the electoral challenge mounted by the political opposition, the KMT had to strengthen its vote-mobilizing capacity. State workers were a secure source of proregime votes. To make sure they cast the right vote in elections, certain concessions for workers became necessary. In short, the opening of political opportunity helped to popularize petty bargaining beyond the narrow circle of party members.

Table 6.1 Propositions in FIUTSC meetings (1976–83).

Period	Propositions unrelated to members' interests	Propositions related to members' interests	Wage	Welfare	Employment	Union representation	Others
1976–83	20	122	35	63	21	3	5

Table 6.2 Propositions in TPWU meetings (1982–87).

Period	Propositions unrelated to members' interests	Propositions related to members' interests	Wage	Welfare	Employment	Union representation	Others
1982–84	16	168	52	41	38	29	9
1985–87	15	189	58	40	44	39	15
1988–91	21	234	79	55	56	35	14

Note: (1) The FIUTSC data is based on the proceedings of union representatives' meetings (1976–83), the Shanhua Refinery Archives. (2) The TPWU data is based on the proceedings of the 3rd, 4th, and 5th board of standing directors and board of directors, the TPWU Archives. (3) I exclude the routine propositions advanced by the union secretary. The figures are based on the author's classification and calculations.

The emergence of petty bargaining is visible through the issues union leaders discussed in their regular meetings. The above tables classify the propositions raised in the union representative meetings of the FIUTSC (1976–83) and the board of standing directors meetings of the TPWU (1982–91).

The above tables show that labor unions had become a channel for workers to raise demands even prior to the lifting of martial law in 1987. Propositions were the ideas or suggestions formally proposed by union representatives; if adopted, they were supposed to be executed by the union officers. Hence, a content analysis of these propositions not only reveals the actual working of labor unions, but also sheds light on the unspoken assumptions among these insiders about what labor unions should do.

The "propositions unrelated to members' interests" were very rare. They constituted 14.1 percent of FIUTSC propositions in 1976–83 and 8.0 percent of TPWU ones in 1982–87. These propositions, such as "The TPWU should promote the frugal dining campaign" (1982), "The FIUTSC should mobilize members to support Chiang Ching-kuo for 7th president" (1983), and "The TPWU should mobilize members for charity donations" (1984), were a curious historical survival of the KMT's Leninist definition of labor unions.

According to the 1951 Guidance Plan, a labor union was primarily "altruistic." As Tables 6.1 and 6.2 demonstrate, in practice a solid majority of union leadership no longer subscribed to this outdated notion.

The explosion of interest-related propositions showed that the function of labor union had been converted. To advance their interests, workers chose to focus on issues related to wages and welfare (defined as noncash payments and benefits), which were often expressed in the form of better treatment for a particular group of workers according to a certain standard. By contrast, the issues concerning employment and union representation that had direct bearing on the workers as a class or as union members were less frequently raised. In the FIUTSC meetings of 1976–83, wages and welfare accounted for 28.7 percent and 51.6 percent of the interest-related propositions, whereas employment and union representation only amounted to 17.2 percent and 2.5 percent. In the TPWU meetings of 1982–87, the corresponding figures were 30.8, 22.7, 23.0, and 19.0 percent.

As the preceding chapter argued, the implementation of the internal labor market in the 1960s damaged the career prospects among the lower rung of the workforce. Were the labor union leaders to be truly responsive to the rank-and-file members, employment issues should have assumed a larger share. Focusing on questions concerning wages and welfare appeared an expedient strategy when the fundamental division between staff and operatives was unlikely to be revised. In a sense, petty bargainers were realistic and demanded only what was immediately achievable.

The Limits of Petty Bargaining

Prior to the mid-1980s, the labor unions of Taiwan's SOEs had become de facto complaint centers that unfailingly processed and forwarded a plethora of demands to the company, no matter how trivial, frivolous, or ridiculous they might have appeared to be.[17] Thanks to the incessant pressure from below, labor unions had burst out of the highly restrictive straightjacket designed during the repressive authoritarianism of the 1950s. The shifting of union functions took place incrementally and was not always detectable because the KMT cadres appeared to have unions under their firm control.

To use a historical institutionalist term, the change from a Leninist mobilizing device to a complaint center for petty bargaining can be described as a case of "conversion"—one of the mechanisms for institutional evolution. As defined by Mahoney and Thelen (2010,

8–14), conversion takes place when the same rules are "interpreted and enacted in new ways" so that how an institution functions is radically altered from within. More specifically, two conditions conducive for conversion are the "weak veto power of status quo defenders" and a "high level of discretion in interpretation and enforcement" so that "opportunists" are likely to emerge as agents of change. In this case, the KMT cadres were unable to prevent the gradual drift of labor unions because they had long relied on service to win mass political allegiance. Arguably they might have been persuaded to accept the new role of labor unions because their power and privilege was in no way jeopardized and it was management who had to take care of the swarming wage and welfare demands. Petty bargainers behaved as opportunists because they were self-consciously selective in complying with the existing rules.[18] They chose to ignore the political role of labor unions, instead focusing on the channel of proposition discussion in which their claims could be heard and dealt with. Thus, petty bargainers effected an endogenous institutional change so that labor unions were gradually transformed from a transmission belt to a complaint center.

Despite the popularity of petty bargaining as a strategy of workers' resistance, it was essentially biased toward the more privileged stratum of union members. The entrenched disparity between staff and operatives could simply not be solved with this approach. In fact, prior to the rise of independent labor unionism after 1987, labor unions were mostly headed by those of staff rank, rather than operatives. More likely than not, the status inequality was reproduced in labor unions, and petty bargaining was not able to challenge it effectively. From its founding in 1959, all the TPWU presidents were staff with supervisory positions of subsection chief or above—a tradition not broken until 1988. In the FIUTSC, the staff predominance was also visible. The following table lists staff as a percentage of the workforce and the union leadership.

Table 6.3 Staff percentages in the TSC and FIUTSC (1976–83).

Level	Percentage
FIUTSC standing directors and supervisors	87.5
FIUTSC union representatives	51.3
TSC workforce	42.3

Note: (1) The workforce data comes from TSC (1986, 387). (2) The union data is based on the proceedings of union representatives' meetings (1976–83), the Shanhua Refinery Archives. (3) There is only one year's data on the FIUTSC standing directors and supervisors (1978). (4) The figures are calculated and arranged by the author.

The above table clearly demonstrates the entrenched predominance of staff in the union leadership. Hence it was unlikely that unionists paid serious attention to the plight of the majority of operatives. Petty bargaining, in a sense, reproduced the intraclass cleavage and was incapable of constructing class-wide solidarity.

The passage of the Labor Standards Law in 1984 and its aftermath serves as an example. The KMT government decided to improve the legal framework of labor protection because of strong US criticism over Taiwan's trade surplus. To raise labor cost was thought of as a way to make Taiwan's labor-intensive exports less competitive (Zheng 1985). The legislation of working hours, overtime, and retirement payment, however, produced unintended consequences. Many SOEs, including the TSC and the CPC, simply outsourced some business in order to avoid the new regulations, and many temporary workers were thus dismissed (Chen 1986, 212).

As it turned out, the contemporary labor union leadership simply ignored these issues. Since the Labor Standards Law brought about a new definition of staff employees as "public servants with labor status" (*gongwuyuan jianju laogong shenfen*) yet deprived them of many of the benefits enjoyed by public servants, a new wave of protest activism among staff employees emerged.

Following the pattern of petty bargaining, they demanded treatment on par with public servants. They thought it was scandalous that a manager should receive less retirement payment than a foreman.[19] During the mid-1980s, the TPWU's paper, *Shiyou laogong* [Petroleum Workers], was replete with angry articles written by senior staff members, who often showed nostalgia for the Chiang Kai-shek era in their criticism of the contemporary government officials.[20] Since the labor union then was led by staff employees, it was not surprising that the TPWU led an energized campaign to address this issue.[21] By comparison, the pressing concerns for the majority of bottom-rung workers were largely deemed as of lower priority. Thus, without challenging the undemocratic nature of labor unions, the strategy of petty bargaining favored the haves, rather than the have-nots.

The second major drawback was that petty bargaining did not allow the participation of political dissidents, which could be seen in Yang Qingchu's frustrated attempt to campaign for union leadership in 1976. Before that, Yang had gained national fame with his writings and exposés of the workers' plight, so the KMT cadres and security officers were already monitoring him closely. At that time, the TPWU Local One had nine directors. Yang collaborated with six colleagues to campaign for the positions. His comrades included four Mainlanders who were

retired from the army and were no less critical of the KMT—an indication that the politics of ethnicity was less salient by the mid-1970s.

These dissidents identified themselves as "nominated by workers" (*laogong timing*) to accentuate the fact that they were battling against those candidates nominated by the party branch. The indirect and complicated system of labor union governance, which facilitated party-state control, was the first hurdle they faced. They had to campaign for the 109 positions of union representatives in order to be qualified as the electors of and candidates for the nine director positions. In the first stage, one of them failed, and in the second round, only Yang Qingchu was elected. In frustration, Yang immediately gave up his position in protest, thus concluding the only case of an organized attempt to contest the KMT hegemony in labor unions before the lifting of martial law.

Yang put the whole episode into a short story that same year, and in his later two autobiographical writings (Yang Q. 2007, 64–68; 2009, 1: 107–37), more details on how the KMT managed to forestall the dissidents' challenge were depicted. As a preemptive measure, the KMT deliberately nominated Yang's subsection chief for the election of union representatives in the hope that his coworkers would vote for their superior rather than a challenger. In spite of this, Yang survived the first round. Entering the second stage, Yang and his associates encountered a more daunting obstacle. While the KMT-nominated candidates were allowed to use working hours for campaigning, the challengers had to canvass for votes in their off-duty time and only in the residential area. To do this, they had to pay a visit to the security police captain and vouch for their "patriotism." With the election date approaching, there were eight prodissident union representatives who were sent away for a business trip by the management. When the meeting of union representatives took place, more than 100 police and plainclothes security officers were deployed. Yang and his comrades struggled to be allowed to speak their ideas of how the labor union should function. One of them tried to denounce a case of corruption on the part of the welfare committee. However, the KMT cadres used a number of technicalities to restrict their speech time and, more importantly, to make balloting no longer secret, but observable to the pro-KMT staff. With Yang's protest resignation, the party-state secured its control over the labor union once again.

The crushing defeat affected Yang Qingchu's later career. The impossibility of working within the given institutional channels persuaded him to collaborate with the growing political opposition. In 1978, he joined the national legislative election, which was later cancelled by the government due to the termination of Taiwan-US

Figure 6.1 Yang Qingchu at the CPC Kaohsiung Refinery (1978).
Permission by Yang Qingchu
While working at the CPC Kaohsiung Refinery, Yang became nationally famous for his literary writing on worker plight. Before his imprisonment in 1980 for political activism, he also earned income from novel writing and running a publishing house and a tailor shop, as moonlighting was prevalent among state workers then.

diplomatic relations in December. In 1979, as the opposition reorganized itself under the banner of *Formosa Magazine*, Yang volunteered as the head of its Kaohsiung City branch office in spite of pressure from CPC security officers. In the ill-fated magazine, Yang wrote an article analyzing the predicament of labor unions at the time. For a bona fide labor union, Yang argued that it was necessary to "purify union members" and to prevent the KMT's illegitimate influence

(Yang 1979b, 55–56). The tragic conclusion of the Formosa Incident implicated Yang, as he was arrested, tortured, and sentenced to four years and eight months in prison. Yang was released in October 1983, and later he played an active role in the opposition movement. However, he never went back to the Kaohsiung Refinery,[22] and hence, the next generation of independent unionists who emerged in the late 1980s knew Yang only through his writings, not personally.

In short, Yang Qingchu's personal story reveals the highly restricted channels available for labor unions under KMT control. Petty bargaining was allowed so long as it did not touch on fundamental issues. Yang's political turn indicated that a more radical approach to workers' resistance was necessary for bona fide labor unionism, which, however, was simply not a viable option under martial law.

Conclusion

This chapter discussed the evolution of moonlighting and petty bargaining from the 1970s to 1986. In terms of workers' resistance, both were offensive and aimed at getting more benefits, but moonlighting proceeded in a disguised manner, whereas petty bargaining utilized the public channels of labor unions. The emergence of these two strategies showed that workers' dependence on their superiors had been significantly reduced so that they no longer had to play the submissive role of flatterers (*guanxi*) or put on an act of overt conformism to get away from political troubles (ritualism). Moonlighters gained independent income sources that not only met their financial needs but also helped them to become more detached from the corrupt redistributive politics. Petty bargainers viewed the main business of labor unions as promoting their interests rather than merely as a front organization for the party-state. These two strategies seemed to proceed in opposite directions; however, they turned out to be complementary. A significant number of disfranchised workers devoted their spare time to monetary gains, and at the same time, they eagerly expected their union leaders to improve their wages and welfare. Yang Qingchu's part-time work in writing, publishing, and tailoring did not prevent him from attempting to wrest the control of the labor union from the KMT cadres. More likely, his independent financial sources gave him the wherewithal to challenge the party-state.

Although moonlighting and petty bargaining improved the workers' status and arguably paved the way for the rise of independent labor unionism in the late 1980s, their existence was not widely acknowledged. Moonlighting was illegal and had to be hidden by its

practitioners. Even management was obliged to conceal the extent of workers' off-duty jobs because it corroborated the public perception of the SOEs as poorly managed. This might explain why previous studies failed to identify this phenomenon even though small-scale entrepreneurship by private-sector workers has been thoroughly documented.

As for petty bargaining, the neglect came from another source. After the post-1987 rise of militant workers, the leadership battle between independents and KMT loyalists was waged throughout Taiwan's labor unions. Kang Yiyi, the first non-KMT president (1988–93) of the TPWU, characterized the regretful status of labor unions before him as follows: "The union was voiceless. It was nothing but a springboard for career promotion. Members did not know where the union was or who the president was. At that stage, the union was only a 'vase' and a good-for-nothing. The only mission it accomplished was to preserve the labor union itself."[23]

Kang's accusation of his predecessors as careerists was largely right, but unions were by no means "voiceless." The descriptions of labor unions under the martial-law era as a "vase" or "castrated chicken" (*yanji*) were often heard among the independent unionists in the late 1980s (Zhang 1987, 68–69). In the case of the Brazilian labor movement, when the New Unionists confronted the conservative unions sponsored by the military dictatorship, the latter were ridiculed as "*pelego*" (the sheepskin saddle blanket) (Parker 1994, 265). Likewise, Taiwanese labor activists considered a castrated-chicken union good-looking but useless. It only served as decoration and was unable to protect its constituencies. After that time, "castrated chicken" became the worst epithet one might attach to a union. Deliberately or not, the independent unionists chose to sideline the phenomenon of petty bargaining.

Such prejudiced characterization fails to acknowledge the gradual evolution of labor unions away from a Leninist transmission belt and toward the resuscitation of the function of interest aggregation. The most misleading aspect in applying the "vase" and "castrated chicken" labels to the previous labor unions was that the KMT did not unionize the SOEs simply for a "decorative" purpose, but rather as an auxiliary device to facilitate its extraction of worker loyalty. Such a view exaggerates the early KMT's need for political legitimacy and underestimates its Leninist combat ethos. Therefore, in spite of its triviality, bias, and futility, the rise of petty bargaining should not be taken lightly because it eventually facilitated the advent of a more militant style of unionism as the political opportunity turned more favorable.

Chapter 7

From Social-Movement Unionism to Economic Unionism

The imposition of martial law in 1949 was originally an emergency measure of regime survival when facing the prospect of annihilation in a civil war. Over the years, the martial-law regime grew to encompass a plethora of restrictions that effectively outlawed political opposition, free press, demonstrations, and strikes. By the 1980s, as Taiwan had been widely acclaimed as one of the “Four Asian Tigers” due to its successful economy, martial-law rule appeared even more anachronistic and unbearable. The result was a nascent civil society, spearheaded by the political opposition and social movements, which mounted a sustained challenge against KMT authoritarianism (Fell 2012, 171–91; Hsiao 1992b; Ho 2010a).

Taiwan’s labor movement was cast in the crucible of democratic transition. In 1984, the legislation of the Labor Standards Law incurred business complaints about rising production costs, and the intensified media coverage brought public attention to the labor problem. In the same year, the first postwar labor movement organization, the Taiwan Labor Legal Support Association (TLLSA), was founded. In a similar fashion to the Polish Workers’ Defense Committee (KOR), the intellectual-led TLLSA was part of the opposition movement. As the title indicates, the TLLSA activists originally aimed at providing free legal counsel for workers; however, the abrupt explosion of labor protests pushed the TLLSA toward a more proactive role.

The spring of 1988 saw the first lunar calendar New Year after the lifting of martial law, and a spontaneous wave of strikes emerged as many workers made claims for a higher annual bonus. The conspicuous gap between the promise of the Labor Standards Law and the

actual payment, which was deliberately tolerated by officials due to the business opposition, now lent legitimacy to worker agitations. The government hastily set up a ministry-level Council of Labor Affairs (CLA) in 1987 to process the growing labor protests. In 1989, the CLA's first director lamented: "Two years ago, we had never heard of 'the rise of labor consciousness,' never seen a 'strike' nor a 'plant closure.' Political organizations that exclusively appealed to workers did not exist."[1]

This chapter will analyze the trajectory of social-movement unionism among Taiwan's SOE workers in the post-martial-law era. *Social-movement unionism* is a term used to describe the attempt to use labor unions as a vehicle of working class mobilization, instead of mere promotion of members' interests. Such militant unionism often rises as an integral component of popular movements against dictatorships. Scholars commonly use it to describe the union militancy during the democratic transitions in Brazil, South Korea, and South Africa (Moody 1997, 206–18; Seidman 1989; von Holdt 2002).[2] Self-identifying as a social movement, labor unions ally with grassroots communities and other movement organizations, rather than focusing purely on worker interests. The rediscovery of social-movement unionism is a great theoretical success, as scholars use this concept to understand the revival of American labor unions since the mid-1990s (Clawson and Clawson 1999; Fantasia and Voss 2004, 126–59). Whether it takes place in the North or in the South, social-movement unionism is sustained by an influx of new activists, who embrace a different conception to union bureaucrats, and thanks to their efforts, unions are brought back to the larger family of social movements (Isaac and Christiansen 2002; Voss and Sherman 2000).

Three questions will be answered here. First, how did this form of class-based resistance come about? Second, why was social-movement unionism unevenly distributed? Why were the CPC workers able to launch sustained activism, while at the same time the similar attempt by the TSC workers was abortive? Third, why did social-movement unionism eventually give way to economic unionism?

I will highlight the fact that early worker activists were mostly Taiwanese, the opposition movement/DPP supporters, and operatives. With a favorable political atmosphere, the disadvantaged workers in the preexisting politics of ethnicity, partisanship, and position were now able to voice their discontent. Thus, social-movement unionism transcended several cleavages and mounted a collective challenge based upon class-wide solidarity. To wrest control of the labor unions from the KMT cadres, the so-called independent unionists (*zizhu*

gonghui yundong) were not nonpartisan, but practiced a strategy of alliance with the political opposition, chiefly the DPP. An ecological analysis of workforce distribution in terms of workplace and residence will indicate that patterns of social ties affected the extent of workers' mobilization. The CPC workers enjoyed the mobilizational advantage of having a higher percentage of shift workers and a denser residential concentration, which increased their propensity to participation. Finally, the threat of privatization heightened the sense of job insecurity and undermined grassroots militancy. A narrower and more inward-looking conception of union roles gradually took root even though the party-state control had been removed.

From Political Activism to Union Activism

When Yang Qingchu served his prison term in the early 1980s, some of his younger coworkers in the Kaohsiung Refinery became fervent opposition supporters who later led the move toward independent unionism. Lin Jixiang (a pseudonym), a TPWU Local One standing director (2001–03), claims to have embraced an anti-KMT mindset since his high school years. Lin and his CPC coworkers were present on the eventful night of the Formosa Incident and experienced the violent clash personally. Afterward, the CPC security officers interrogated Lin and other opposition supporters, warning them to "stay away from politics." Huang Qingxian was also a political activist prior to his union involvement. Huang was proud of that fact he was among the first 100 to join the nascent DPP. Huang volunteered as a picketer in many political protests mounted by the opposition. In the TSC, Su Qinghua of the Talin Refinery was also an opposition veteran and served as the director of the DPP Chiayi County party branch.

There were similar patterns of political involvement in Lin, Huang, and Su's cases. They frequented the opposition campaign rallies during the electoral seasons. There they learned the freshest antiregime criticisms and became politically conscious. The opposition magazines (*dangwai zazhi*), which at that time functioned as a Taiwanese equivalent of samizdat, were an important channel for spreading the views of dissidents. Daring criticisms and exposures of officials' irregularities were the chief attraction of these magazines, conveying sensational news that was censored in party-state news media. Quite often, the worker activists would bring these materials into the factory operation rooms secretly, where they would become big topics among coworkers. These would-be unionists demonstrated remarkable efforts in

proselytizing. They were often the opinion leaders in their workplace, diligently propagating the new political gospels by either inviting their coworkers to the opposition rallies or encouraging them to read opposition magazines. One TPWU unionist I interviewed spent extra time in the factory after his shift in order to "talk about politics and criticize the KMT" with his coworkers. In this way, anti-KMT ideas became more and more popular in the workplace.

In the 1970s, Yang Qingchu gravitated toward political activity because of his humanitarian concern for the workers' plight. A decade later, his successors traversed an opposite route in that they became partisans before they engaged in union activism. Such shifting patterns of involvement were prevalent among the first cohort of labor activists (Fan 2000). Why did these would-be unionists first choose to devote their attention to political issues rather than on the more immediate problems workers faced in their everyday life? This question is even more intriguing if one takes into consideration that Taiwan's opposition movement was mostly politically oriented, and social issues remained marginal in its agenda (Yang D. 2007). For example, a senior opposition leader once declined to meet Yang Qingchu in person, because he was suspected to be a "red" for his writings on workers (Yang Q. 2007, 35). Linda Arrigo (1998, 151), one of the opposition left-wing activists, documented the opposition leaders' aversion to such "sensitive issues" as abortion and unionism—issues that were "unnecessary" and would scare away their small and medium business sponsors.

Social-movement students argue that there are many factors determining whether a claim becomes "resonant" with a target population. One of them is the so-called experiential commensurability, or the transferability between a movement frame and the everyday world of its audience (Snow and Benford 1988, 208–09). Seen in this perspective, the resonance of the political opposition for state workers consisted of two dimensions. First, the opposition leaders criticized the KMT's party-state control, which was parasitic on many social organizations. While the opposition focused on the larger arena of Taiwan's politics, workers found a close parallel in the politics of partisanship in their daily milieu. As the KMT's party-state authoritarianism deprived citizens of political freedom, workers lost control of their labor unions for a similar reason. Secondly, the opposition movement embraced a nationalistic demand for Taiwan's independence. In the early period, such aspirations were framed as a call for "self-determination," and there was a visible ethnic turn in the late 1980s, as the opposition became increasingly vocal in criticizing the Mainlanders' political monopoly (Wang 1996). In the SOEs, this criticism found a receptive

audience because workers had long experienced a politics of ethnicity. Ethnic nationalism could serve as a lightning rod to galvanize workers' participation. Therefore, although the opposition's messages might have been socially vague, they met concrete realities in the everyday workplace. Workers were encouraged to believe that their grievances resulted from the undemocratic nature of the KMT regime.

Independent Unionism as an Anti-KMT Movement

The mid-1980s labor agitations are visible in official statistics. From 1984 through 1987, the annual numbers of labor disputes were 907, 1,443, 1,485, and 1,609.[3] Most of these disputes took place in private industries, and activism on the part of state workers followed a different trajectory. I will use the TPWU case to illustrate how independent unionism emerged as an anti-KMT movement.

In December 1987, Huang Qingxian and five coworkers from the CPC Linyuan plant of the Kaohsiung Refinery stood in the election for TPWU representatives. During the campaign, they used the label "Labor Link" (*laofang lianxian*) to demarcate themselves from the KMT-supported candidates. Huang and his comrades were all successfully elected, and the Labor Link became a common identity for independent unionists in subsequent elections for higher positions in the TPWU. Later on, Kang Yiyi of the Local Two was elected as the first non-KMT TPWU president in March 1988. The rise of Kang Yiyi was significant in many aspects. Not only was he the first TPWU president without KMT membership who successfully defeated the KMT-supported candidate, but he was also the first operative to assume the top union leadership position. In terms of ethnicity, his immediate predecessor (1985–88) had been the only Taiwanese among the twelve ex-presidents. Hence, Kang's presidency signified that the previously excluded workers were gaining ascendancy. The fact that the KMT could easily lose control of a major labor union within one year of the lifting of martial law demonstrated its eroded basis among the working class. In 1989, Labor Link activists won again and obtained the leadership of the TPWU Local One.

The salient pro-DPP stand was an unmistakable common trait among Labor Link activists. Kang Yiyi was the younger brother of opposition veteran Kang Ningxiang, who was also a CPC gas station worker before launching his political career. Although Labor Link activists had not known Kang Yiyi for long, their decision to support

him was primarily due to partisan considerations. If Kang Ningxiang dared to challenge the KMT in political elections, there were few reasons why his brother could not accomplish the same task in union elections. During the election, Huang Qingxian put the DPP icon on his campaign flyers. Other Labor Link candidates emphasized their DPP membership, either by sending out "recommendation letters" by local DPP politicians or by displaying a DPP flag in front of their houses in the company residence. Clearly, these activists thought that the DPP represented a clear alternative to the KMT-controlled union. The Labor Link once specified in its constitution that its members were encouraged to obtain DPP membership. In the eyes of these activists, the struggle to control the union was analogous to party rivalry. Their campaigning for union positions was modeled on the political elections in the outside world, with the KMT as the privileged incumbent and themselves and the DPP as the challenger.

As the nascent independent unionists consolidated their footing in the workplace, they also attempted to expand their political influence via the newly opened electoral channels. In December 1986, Chen Xiqi, then the CFL president, was unexpectedly defeated in the Worker Group Legislator election. Having started as a TSC bottom-rung sugar boiler, Chen was a successful case of a Taiwanese worker being promoted to lead the FIUTSC under party-state sponsorship. He was also a veteran candidate, having won the election twice, in 1980 and 1983. His bona fide worker credentials as well as intensive involvement in the 1984 passage of the Labor Standards Law were widely viewed as his formidable assets. A rather obscure DPP candidate edged out Chen. It was immediately understandable that Chen had not lost the election because of poor performance. A great wave of defections from the KMT by the working class sealed his political career.[4]

Three years later, the independent unionists were ready to mount a greater electoral challenge to the KMT. The DPP nominated Secretary-General Su Fangzhang of the TPWU for the legislative election in 1989. The Worker's Party—a party organized by some ex-DPP members and other labor activists in 1987—also nominated the TPWU president, Kang Yiyi, and one FIUTSC leader, Chen Jinming, to join the foray. In the end, Su, Kang, and Chen all failed, partly because of in-fighting among the opposition camp. The combined votes for Su (28,147), Kang (10,120), and Chen (11,444) exceeded the vote count for the last-place elected candidate (35,956).[5] Nevertheless, the political alliance between dissident workers and political opposition had come into being. In hindsight, it was an inevitable evolution since the two camps were fighting against the same enemy.

The TPWU activism clearly demonstrated the political route of independent unionism. Lee (2011, 102–05) argues that, compared with the South Korean case, Taiwan's labor movement appeared less militant and heroic because of its institutional linkage with the opposition.

In the case of the CPC Kaohsiung Refinery, the 1990s witnessed efforts by independent unionists to mount a sustained challenge to the party-state. With the TPWU Local One as the organizational basis, they demanded that management remove all KMT cadres from the company. They videotaped how the KMT cadres used the company resources to canvass votes for their candidates for the 1992 legislative election. They held a joint conference with DPP politicians to make public the incident.[6] In June 1993, the employee-relations committee was formally abolished, with the related business transferred to the personnel office (TPWU Local One 1994, 222). Then the independent unionists targeted the KMT mouthpiece, the *Lijin Monthly*. They exposed the plagiarism and corruption among the editors and conducted a plant-wide poll on the future of *Lijin*, which unsurprisingly produced a landslide victory. In September 1994, *Lijin* was suspended for good after 43 years in publication (TPWU Local One 1996, 49–50).

The rise of independent unionism met with high-handed repression from the KMT. Nearly all the Labor Link activists encountered personal harassment from security agents. Their family members received phone calls that hinted at dismissal based upon "antigovernment" activities. The archival data from the TSC security office indicates that political surveillance on dissident workers did not abate after 1987. The following table shows the number of "counterintelligence agents" (*fandieyuan*) being deployed and information being collected.

Table 7.1 Political surveillance of the TSC workforce (1984–89).

	Number of Counter Intelligence Agents		Pieces of Information
	Regular Deployment	Special Deployment	
1984	621	193	1,315
1985	529	340	1,172
1986	467	399	1,202
1987	478	392	1,237
1988	n/a	n/a	n/a
1989	496	434	n/a

Note: Based on the annual proceedings and materials of TSC personnel inspection (1984–89), the Shanhua Refinery Archives.

Counterintelligence agents were informants who were selected for their KMT loyalty and entrusted with the task of spying on their coworkers. According to the 1986 data, security officers were able to deploy 6.4 agents for every 100 workers. The above table indicates that the termination of martial-law rule did not spell the end of political surveillance. The emergence of the opposition parties and labor movement brought about more intensive use of this control mechanism, as evidenced by the growth in "special deployment," which was primarily targeted at the pro-DPP workers.

Management tried to neutralize the impact of independent unionism. In 1989, the CPC Kaohsiung Refinery set up an employee-complaints committee in an attempt to contain grassroots discontent. Not surprisingly, the committee was headed by the top KMT cadre (CPC 1993, 705)—clearly a restorative effort to regain worker allegiance after losing the labor union. The labor union had previously been responsible for a plethora of welfare functions. Now, the company shuffled these operations around so that they were under the management's jurisdiction, leaving the union much less resourceful after its independence (TPWU Local One 1994, 4, 52, 262).

Lastly, seeing that the labor unions had become unruly, the KMT government attempted to undermine the legal structure of independent unionism. In 1990, the CLA put forward a revision draft of the Labor Union Law to make union membership "voluntary" (Shieh 1997, 281). Without the legal protection of compulsory membership, which had been legislated in 1943,[7] the management could easily "persuade" workers to leave their union and the automatic deduction of union dues was no longer possible. Although the CLA officials justified the revision as a necessary adjustment to "social pluralization," the political intent to weaken the foundation of the labor movement was undeniable. Taiwan's independent labor unions coalesced to fight this regressive attempt. Thanks to the first full election of the Legislative Yuan in 1992 and the surge in DPP seats, the government decided to withdraw the controversial revision later.[8]

Overcoming the combined pressures from the security agents, management, and the government, Labor Link activists succeeded in consolidating their hold. The following table arranges the results of the union elections.

The Labor Link continued to grow in strength in union elections throughout the 1990s. Prior to 1997, their main opponent was the KMT, which found it increasingly difficult to secure support from the constituencies. Afterward, union elections were primarily a duel between the Labor Link and a split-off faction called Solidarity

Table 7.2 Labor link and the union election results (1987–2003).

Year (Term)	Total	Labor Link	Solidarity	KMT
1987 (5th)	n/a	18	—	n/a
1991 (6th)	33	15	—	18
1994 (7th)	35	28	—	7
1997 (8th)	35	29	2	4
2000 (9th)	36	36	0	0
2003 (10th)	36	20	16	0

Note: (1) This table lists the union representatives for the TPWU (the so-called major representatives), but not the union representatives for the TPWU Local One (the minor representatives). (2) Solidarity was a breakaway faction from Labor Link in 1996. (3) The data are based on Huang (1991, 103–04), Wu (1997, 60, 94, 114), and the author's field notes.

(*tuanjie gonglian*), while the KMT was effectively marginalized. The ninth election, held in January 2000, two months before the consequential presidential election that transformed the DPP into the ruling party, marked Labor Link's zenith—it triumphed with a knockout by taking all 36 seats. That victory helped Huang Qingxian to secure his second term as TPWU president. In May 2000, Huang was elected as the founding president of the Taiwan Confederation of Trade Unions (TCTU), the national federation of independent unions that challenged the monopolistic privilege enjoyed by the KMT-sponsored CFL.

In retrospect, the oversimplified assertion that "democratization brought about the labor movement, not the other way around" (Huang 2002, 307) needs to be qualified. True, Taiwan's labor movement was a product of the gradual relaxation of authoritarian rule, but the claim that "the workers did not play a significant role in bringing about democratization" plainly flies in the face of the TPWU experience. Without the sustained challenge from below, the party-state infrastructure could have easily survived the external changes. Observing the difficult transition to democracy, Fox (1994, 182) has emphasized "the resilience of local authoritarian enclaves." Seen in this light, TPWU activism was necessary groundwork for a sustainable democracy.

The FIUTSC, by contrast, was a clear counterexample. After the failed electoral attempt of Chen Jinming in 1989, independent unionism was in disarray and never regained its momentum. As a result, the KMT party branch maintained operations until 2000 when the DPP

became the ruling party. The FIUTSC was somewhat revived when the DPP government sought to downsize the TSC workforce. Nevertheless, management continued to "appoint" the top union leaders as it had during the martial-law years. The TSC workers, in a sense, failed to gain the independence of their labor union.

Labor Activism in Taiwan: Public Sector and Private Sector

The political salience of Taiwan's public-sector unionism needs to be commented on, as it assumed a trajectory different from that of the private sector. Lee (2007) has identified two paths of labor insurgency in contemporary China. SOE workers in the northeastern "rust belt" pursued a disruptive protest of desperation, whereas private enterprise workers in the "sun belt" of Guangzhou advanced a legalistic protest against discrimination. Lee argues that the differences in labor regulations, workers' leverage, and labor-power reproduction played a crucial role. Lee's (2007) conclusion can be couched in terms of historical institutionalism in that preexisting institutional rules structured the contour of labor insurgency.

In a similar vein, Taiwan's labor movement could be divided into two streams of state workers and private workers. The existing literature on post-1987 labor activism in the private sector (Chao 1996; Guo 1997; Ho 2008; Lin et al. 2000; Xia 2003) reveals the following traits: (1) There were virtually no KMT party branches in private industry. Workers, therefore, faced a more favorable situation for collective action, and this factor was conducive to the more militant style of their activism, for example, the wave of spontaneous strikes in the late 1980s. (2) Preexisting labor unions in private industry were rare, and even when they existed, they were controlled by management and their welfare functions remained rudimentary. Private workers had to organize a new union first before launching their movement, and their union activism was more difficult to sustain due to poor initial endowments. (3) Relatively speaking, the ethnic division of labor was less salient, and the internal labor market was more meritocratic in the private sector. Hence, its labor movement was less driven by resentment against ethnic and position discrimination. More often than not, private workers struggled for higher annual bonuses and wage increases. In short, without the established politics of ethnicity, partisanship, and position, Taiwan's private sector workers were less fractured and more homogeneous, which meant their grievances tended to be related to wages, benefits, and working hours. Thus, private workers'

labor movements appeared more economistic, whereas state workers' collective action was more politicized.

Since the following discussion will deal with SOE workers only, it is better to conclude this section by a brief observation of the evolution of private-sector workers' activism. A spontaneous strike wave emerged among workers in large private corporations (Tatung, Far Eastern, and FPG) and the transportation industry in the late 1980s. Workers struggled for higher pay and the right to organize their independent unions. However, after a short period of labor agitation, many labor leaders were dismissed, and their unions clubbed into submission. Starting in the mid-1990s, another protest wave surfaced among the laid-off workers, who were victimized by plant relocations to lower-cost China and Southeast Asia without being able to receive their legal severance pay or retirement benefit. They were mostly senior semiskilled workers in nonunionized labor-intensive industries (textiles and electronics). Although their protests tended to be highly disruptive, they failed to expand the organizational basis of Taiwan's labor movement since their activism usually came to an end when they were able to secure some compensation. Thus by the time the TCTU was legalized in 2000, Taiwan's private-sector unionism appeared a spent force. Spontaneous strikes became increasingly rare, and the remaining unions pursued a cautious and moderate approach toward their employers. In short, the irretrievable loss of momentum among the core manufacturing workers, the difficulty in organizing service and high-tech workers, and plant closures in labor-intensive industries contributed to the ebbing of private-sector unionism. By contrast, SOE unionism encountered a more formidable initial condition because the workforce was fractured by ethnicity, partisanship, and position, and dissenting workers were put under the surveillance of party cadres and security agents. However, once the labor activists were able to consolidate their control of labor unions, they enjoyed better job security to sustain their activism. Consequently, the leadership of Taiwan's labor movement fell into the hand of the SOE unions, which were able to speak for the whole working class in Taiwan (at least before the decline of their social-movement unionism).

Independent Unionists' Recipe for Success

The Labor Link activists pursued a highly politicized variant of unionism, but ultimately their source of power relied upon the support of the rank and file. To obtain this critical resource, the independent

unionists had to deliver certain public goods that were neglected under the KMT leadership.

Upon conquering the TPWU presidency, the independent unionists agitated for more militant action in pursuit of better treatment. The zeitgeist of the immediate post-martial-law era was that all kinds of long-pent-up grievances found their expression in street protests. The TPWU staged a large-scale demonstration on July 15, 1988—the first street protest by Taiwan's SOE workers. More than 2,000 CPC workers took part in that event, alongside railroad and electricity workers participating out of solidarity. The presence of DPP politicians was not surprising, but some KMT politicians and union leaders also found it necessary to express their support.[9] Prior to the demonstration, a major peasants' protest on May 20 had erupted into a bloody street riot that shocked the public. Taking advantage of that incident, hardliners were arguing for the restoration of martial law to maintain peace and order, and the TPWU unionists were under extreme pressure. Hence, the peaceful conclusion of the July 15 demonstration as well as its powerfully conveyed message was seen as a major success for the nascent independent unionism.

In place of unprincipled petty bargaining, the July 15 demonstration became independent unionism's signature action. The TPWU raised the demands that grassroots operatives cared about, such as "fair wage adjustment to raise the income of workers at the bottom level," "removal of the 50 percent quota restriction in annual evaluations," and "abolishing the staff-operative dualism for a unitary personnel system."[10] The independent labor unionists adopted a holistic and broad-based approach in defining membership interests. Emphasis was laid upon the needs of the majority of members, who were placed at the bottom tier (*jiceng*), and the union gave priority to promoting changes that could be applied across the board, rather than the particularistic interests of the few. Clearly as workers rose to take back their union, the latter became more democratic. Kang Yiyi personally exemplified the CPC operatives whose interests had been persistently neglected by the KMT-controlled unionists. By 1984, he had already reached the top of the job ladder for an operative, the fourteenth grade of the evaluation position. Yet, he found his wage insufficient for his family and therefore moonlighted as a notary specializing in realty transactions (*daishu*) (Wu 1997, 50). Kang understood the prevalent desire for economic security among the grassroots workers; as a result, the TPWU strove to improve the status for the bottom-tier members.

In the case of the FIUTSC, even though dissidents failed to capture the union, its leadership turned out to be more responsive to grassroots

demands. Without resorting to street protests, the FIUTSC took the initiative to promote the interests of their low-ranked members. In its negotiation with company management in July 1988, almost the same issues regarding the personnel system, annual evaluations, and promotions were raised.[11]

Eventually, the independent labor union movement was able to secure mass allegiance because its aggressive approach brought about tangible fruits, whereas the KMT-led unionism simply inflated members' expectations without any real gains. With its epoch-making demonstration, the TPWU won the following concessions from the CPC management within the first year:

1. The quota restriction on annual evaluations was raised from 50 to 75 percent so that more workers could qualify for annual bonuses.
2. Workers on the evening shift and the night shift were compensated with NTD 125 and 250, respectively.
3. The quota restriction for the operatives' top grades was relaxed from 5 to 20 percent.

A bottom-level worker was estimated to have benefited from a wage hike of between NTD 5,000 to 10,000 per month.[12] According to the data of the CPC Kaohsiung Refinery, the average annual wage rise before the advent of independent unionism was 13.4 percent (1982–88); after that, the figure rose to 19.5 percent (1989–92) (CPC 1993, 272, the author's calculation). Weaker independent unionism at the FIUTSC, however, brought about fewer gains for its members. The TSC compensation for an evening shift and a night shift was NTD 70 and 120 in 1989,[13] roughly half of the rate that CPC workers enjoyed.

By prioritizing the interests of the bottom-tier members, the independent unionists were in fact addressing a fundamental issue that troubled Taiwan's SOE workers. It was not interclass exploitation per se that they resented, but rather the intraclass differences that produced a lasting cleavage between the privileged and the underprivileged. According to a CPC survey in 1991, oil-refining operatives were the employees that were least satisfied with company welfare, whereas the most contented ones were supervisors, researchers, and administrative staff (CPC Employee Service Division 1991, 5).

Abolishing the staff-operative dualism was high up on the independent unionists' agenda. After the 1988 demonstration, they strove to pressure the Ministry of Economic Affairs to realize this claim throughout the 1990s. Because of the legal constraints on striking inherited from the pre-1987 era, labor activists had to use all sorts of devices to

create a de facto work stoppage. In June 1995, 1,200 operatives in the Kaohsiung Refinery collectively took part in the civil service examination, with the application fees being paid for by the union.[14] In January 1999, the Local One mobilized its members to take personal leave during the New Year holidays. This maneuver, however, was frustrated due to the governmental order for compulsory arbitration.[15] In the end, though the independent unionists failed in their avowed goal to revise the personnel dualism, they still gained the trust of the rank and file.

In addition to the material benefits, the advent of independent unionism elevated the social status of operatives. One of the first things that Labor Link activists did once they obtained control of the Local One in 1990 was to change the union officers. Previously, union officers usually possessed staff positions in the company. Now a bottom-tier oil-refining operative could equally take charge of administrative tasks, such as editing the union paper and negotiating with management, even though he or she would not have had a college degree. Prior to these changes, the service performed by the staff-dominated union was said to be biased, as many operatives found their personal claims were not taken seriously. With the union now in their hands, Labor Link activists sought to provide equal access to all. As an interviewed TPWU Local One union worker put it, good and equal service was the only way to "grasp the hearts of our members."[16]

The independent unionists practiced a bottom-up strategy by emphasizing the interests of operatives. Nevertheless, once their union leadership was secure, they also had to deal with grievances from nonoperative members. Gradually, independent unionism shifted from the exclusive concerns of operatives to a more comprehensive approach that included all union members. This transition was best exemplified by a 1994 episode in the Kaohsiung Refinery. At that time, eight staff engineers were sentenced for violating legal procedure when dealing with a company purchase. They were originally confident that the company would try to prove their innocence, but later on, they were shocked to learn that it was the CPC government ethics (*zhengfeng*) agents, the "second personnel officers" prior to 1992, who tried to incriminate them with false information. Facing possible imprisonment, they decided to solicit the help of the Local One—a highly untypical move among the senior staff, who usually held the nascent independent unionism in low esteem. Initially, there were unionists who did not want to intervene because it was an issue pertaining to staff only. This particularism then gave place to a more inclusive argument that the labor union should protect every member regardless of their position. The Local One held a mass rally to endorse their innocence. Later on,

as some of the implicated staff employees were dismissed by the CPC, the Local One managed to hire them as union officers. Between 1995 and 2003, they joined the Labor Link and became active leaders in the Local One. With the backing of the union, they were able to continue the litigation and finally won their innocence in court.

Besides the staff-operative divide, the growth of independent unionism had to deal with the thorny issue of ethnicity. In 2003, the TPWU Local One had a membership of 5,423, and Mainlanders made up 11.4 percent (the author's calculation of union data). Should the independent unionists have ignored the ethnic minority, they would have had to face strong resistance. As seen in the preceding chapter, Yang Qingchu's 1976 union bid bridged the ethnic divide but was crushed by the KMT cadres. Two decades later, Taiwan's ethnic relations were further politicized by the rise of electoral competition (Corcuff 2011; Jacobs 2005). The early Labor Link activists of the 1980s were all Taiwanese, and their fervent support for the DPP, in a sense, came from their ethnic nationalism. In his own account, Kang Yiyi attributed his decision to become a unionist to finding that Taiwanese were treated without dignity by customs officials in a personal overseas trip (Wu 1997, 51). With the publication of the Local One union paper in 1992, there had been a regular column on "the beauty of the Taiwanese language"—clearly a conscious attempt to promote Taiwanese nationalism. With the intensified ethnic politics both within and without the factory, how could the Taiwanese-led independent unionism obtain the support of Mainlander members? My observation was that the militant agitations for members' interests helped the independent unionists to bridge the ethnic divide. In the 2000 presidential election, Mainlander members tended to support the ex-KMT James Soong (Soong Chu-yu), while the TPWU Local One leaders mobilized to support the DPP's Chen Shui-bian. In spite of the partisan and ethnic rivalry, there was universal support for the TPWU's attempt to launch the work stoppage in the previous year. In addition, the Labor Link was headed by a Mainlander in 2002.

Independent unionism developed from a revolt of predominantly Taiwanese operatives to a more broad-based labor activism that aimed to protect every union member. Anti-KMT consciousness might have been the driving impetus for the early activists, but it was their demonstrated commitment to union solidarity, rather than position and ethnic divisions, that gave them the necessary strength to continue. In spite of the politicized ethnic relations, what mattered was that labor leaders could utilize the institutional basis of labor unions to construct plant-wide solidarity that transcended the existing division between Taiwanese workers and Mainlanders.

It should be noted that the success of independent unionism demonstrated the false opposition between "economic resistance" and "political resistance." Union leaders did not pursue their anti-KMT agenda at the neglect of members' demands for material benefits. In fact, it was due to their commitment to the priority of rank-and-file interests that independent unionism avoided the divisive trap of petty bargaining. Thus, it transcended the boundary of "politics-of-getting" and embarked on the course of "politics-of-becoming" by combining aggressive economic demands and union-wide solidarity. In short, at its heyday in the mid-1990s, independent labor unionism as exemplified by the TWPU Local One approached the ideal type of class movement in which solidarity based upon common union membership transcended division by ethnicity and position.

The Contours of Social-Movement Unionism

The term *social-movement unionism* refers to the more proactive and militant style of unionism that seeks to challenge class society, rather than merely protecting members' interests. In developing countries, social-movement unionism is often aligned with the democratic movement and develops strong community support (Seidman 1994, 2–3). In developed countries, the concept is associated with the "organizing model," the effort to recruit new workers, in contrast to the conventional "service model" that focuses on catering to preexisting members (Turner and Hurd 2001). At its core, social-movement unionism entails a broader conceptualization of workers; they are not only union members, but also community residents, class members, and citizens. Hence, a labor union considers itself part of the social activism that pursues progressive reform. Using the case of the TPWU Local One, I will argue that Taiwan's independent unionism showed similar characteristics in its early stage.

Beside the workplace-level political struggle, Local One unionists also took part in a number of political protests initiated by the DPP. Before the first full election of the Legislative Yuan in 1992, the DPP tended to mobilize its supporters to pressure the KMT for a quicker pace of democratization. Huang Qingxian and his comrades were frequent participants in these protests. In the clamorous era of late 1980s and early 1990s, when many social movements emerged in tandem with the DPP's political protests, Labor Link activists also participated in antinuclear demonstration and other protests.

There was one particular case of an antipollution protest that was directly relevant to the Local One. The protest against the CPC's fifth naphtha cracker in Houchin [Houjin] (1987–90) is widely perceived as a landmark in the history of Taiwan's environmentalism (Lu 2009; Ho 2005). Houchin was located north of the Kaohsiung Refinery, and its residents had suffered from pollution and noise ever since the Japanese had built the petrochemical complex there. Two weeks after the lifting of martial law, they mounted a protest against the CPC's expansion project, and their action evolved into a three-year-long blockade of one of the refinery gates. The role of Labor Link activists during the protest deserves special attention. It might be suggested that organized labor tended to oppose environmental protection because it harmed their economic interests as producers. However, Labor Link activists did not choose that course. At that time, Huang Qingxian stated in public that the environmental movement was ultimately beneficial to workers because it would bring about better occupational hygiene and safety for oil-refining operatives. In addition, the quality of life at the company residence would be improved if pollution was reduced. Although the Labor Link activists refrained from public involvement in the antipollution protest, their sympathetic stance incurred a backlash from management. Huang, in particular, was slandered as a "traitor to the refinery." In March 1990, two Houchin activists sneaked into the refinery and handcuffed themselves in the top of a smokestack. How were they able to perform this stunning act of protest? Labor Link activists were widely rumored to have offered covert help. How the independent unionists reacted to the environmentalism did not start from a narrow understanding of workers as employees, but an enlarged view that workers were also residents and producers, whose long-term interests were not necessarily confined to their present jobs.

Labor Link activists played an important role in the labor movement. For many years, the Local One was aligned with the Taiwan Labor Front (TLF), the successor to the TLLSA from 1992. As a professional social-movement organization, the TLF was led by intellectuals and ex-student activists who possessed legal and policy-making knowledge. A fruitful exchange and cooperation between the TLF and the Local One came into existence. The TLF provided the expertise, while the Local One reciprocated with financial resources and manpower. Huang Qingxian served as the TLF chair from 1993 through 1995. During the union elections, it was TLF activists who worked as the campaign staff. Except in 1993, the Local One mobilized its constituencies to join the May Day demonstrations, sponsored by the TLF and other movement organizations from 1992 to 2000.

On these occasions, the Local One members were usually the most conspicuous contingent because of their number and discipline.

With the convocation of the first fully elected Legislative Yuan in 1993, a political arena had been opened up for Taiwan's labor movement to advance its demands in the legislative agenda. In alliance with DPP legislators, the labor movement fought several battles concerning national health insurance (1994), expansion of the Labor Standards Law's coverage (1996), the shortening of working hours (2000), and the battle regarding privatization, which had persisted for many years. In all these cases, the Local One unionists were active participants. In 2000, the newly formed DPP government finally recognized the TCTU as a lawful national federation of labor unions. The legal recognition was consequential for the labor movement. Since the CLA and its subordinate committees were all collegial in structure, independent unionists now obtained the right to take part in the national decision-making process. With Huang Qingxian as the founding TCTU president, his tenure (2000–2003) also marked the zenith of the political influence of the TPWU in Taiwan's labor movement.

Figure 7.1 The TPWU Local One in protest (1996).

Permission by Huang Qingxian.

Huang Qingxian led a protest against the KMT's manipulation of union affairs. In the 1990s the dissident workers gradually consolidated their hold at TPWU Local One. Huang became the TPWU president in 1998 and the founding president of the TCTU in 2000.

The Local One's participation in the antiauthoritarian struggle as well as labor and other progressive movements typified the practice of social-movement unionism. Although the term itself was rarely used in the Taiwanese context, a similar idea of "socialization of the labor movement" (*gongyun de shehuihua*), first promoted by the TLF activists in 1994,[17] emphasized the larger role that labor unions should play. Basic to the idea was to move beyond the narrow confines of "economic struggle." Unionism should incorporate more social-reform issues into its agenda so that labor's demands could be supported by other groups. A TPWU unionist insisted that the job security enjoyed by SOE workers did not mean the latter necessarily should become conservative "labor aristocrats." On the contrary, it was a critical resource so that they could serve as the vanguard of Taiwan's labor movement: "Those bottom-tier laborers . . . are the group we should align with. With the principle of brotherhood and mutualism, we should intervene to solve their problems. For example, when private industry workers have troubles (plant closures and illegal dismissals), we should support them, thus establishing good relations. In due time, they will come to support us when needed. This is the way to build a social force."[18]

Another TPWU unionist categorically denied that SOE unionism was mainly "selfish." Instead, there was a demonstrable effect that when state workers had better labor standards, private workers would be more able to claim better treatment (Yang Z. 1995, 11).

These eloquent statements on the mission of labor unions were made in the heyday of social-movement unionism, around the mid-1990s. As the following sections will show, not all SOE workers were able to gain their unions' independence. The threat of privatization pushed them onto a more inward-looking and defensive course.

An Ecological Explanation of Union Success and Failure

In Taiwan's SOEs, the sustained militancy of the TPWU and the prolonged quiescence of the FIUTSC constituted polar contrasts. The evolution of post-1987 labor unions mostly lay between these two extremes. Independent unionists in Chunghwa Telecom, China Steel, and Taiwan Power were closer to the TPWU pole, whereas postal workers were akin to the FIUTSC in that independent unionists failed to seize the union leadership. The CPC and TSC workers' grievances were analogous before 1987, and the relaxation of authoritarian control

gave rise to similar independent unionism, with its strong anti-KMT mentality and political alliance with the opposition. But why were the outcomes of workers' activism so divergent? After the failure of Kang Yiyi and Su Fangzhang in the 1989 Legislative Yuan election, the TPWU continued its militancy and carried the torch of labor activism until the power transfer, while the FIUTSC's independent unionism did not survive Chen Jinming's unsuccessful campaign that same year. If the TPWU represented the "locomotive" of unionism that aimed to carve out a larger space for labor in Taiwan's emerging democracy, the FIUTSC was the "caboose," involuntarily trailing along behind.

From my interviews with TSC workers, a frequent explanation about their enfeebled unionism was the rural location of the TSC subsidiaries that engendered political conservatism among its employees. However, this argument does not account for why the TSC workers' activism originated in the Suant'ou Refinery in the sparsely populated coastal area, where Chen Jinming used to work. The fact that the Taipei headquarters of both of the TSC and the CPC were bastions of pro-KMT conservatives flies in the face of this theory, too.

Social-movement researchers have long argued that protest is facilitated by preexisting interpersonal ties (Granovetter 1978, 1430). Social ties make it easier for the targeted audience to accept the dissidents' message. Free riding is less likely to happen in a well-integrated group. Tilly (1978, 63), in particular, argues that organizational strength equals category times network. It was insufficient to generate workers' activism because SOE workers shared similar grievances (category). What matters is that they possessed strong interpersonal ties (network) to mount their collective challenge. Here, I adopt the ecological perspective proposed in Zhao (2001, 241–43) to highlight the fact that social ties are spatially embedded and clustered. A comparison of the CPC and the TSC workforce reveals that the former had a higher degree of geographical, workplace, and residential concentration. As a result, oil-refining workers faced a lower threshold for launching their activism.

First, the Local One, the backbone of TPWU activism, was comprised of CPC employees working at three plants located in the greater Kaohsiung area. Its membership was around 7,000 at the end of the 1980s and is now just under 5,000, roughly one-third of that of the TPWU. One of the reasons why the Local One possessed a stronger mobilizing capacity than the Local Two, which had a similar number of members, was that the latter was made up of gas-station workers that were scattered all over Taiwan. Its geographical proximity in a metropolitan area enabled the Local One to play a prominent role in independent unionism.

The FIUTSC was composed of individual plant-level labor unions. At its founding, there were 30 constituent unions, and the secular decline of the sugar industry after the 1960s reduced the number to 12. Comparatively speaking, the constituent unions were small, and none of them had a membership of over 1,000. Although the heartland of sugar production was located in the southwestern plain of Taiwan, the TSC had subsidiaries in northern and eastern regions, too. When Japanese conglomerates built sugar refineries, the site decision was ultimately based on the quantity of sugarcane that a farming district could produce. Sugar refineries were spatially dispersed and isolated, thus increasing the mobilization cost for their workers.

Secondly, both sugar-refining and oil-refining facilities were manned by shift workers. However, they differed in the patterns of workplace concentration. Sugar mills were in operation only during winter and early spring, following the harvest of sugarcane. In other seasons, production workers only took day shifts in maintaining the machinery, and a number of them were assigned with other tasks. Even during the heyday of sugar export, a great portion of employees worked as train drivers, farm supervisors, and sugarcane procurers. According to the TSC personnel data in 1956, only 28.3 percent of its employees were devoted to industrial production.[19] The TSC diversification programs further decentralized the workforce by reassigning workers to retail, tourism, and other business operations. In more recent years, the factory operatives constituted a diminishing minority of the FIUTSC members as sugar refineries were shut down one by one. In 2008, the number of TSC employees shrank to 4,275, and only four sugar refineries maintained their operations. By contrast, oil refining required yearlong production and remained the core business of the CPC. Shift workers still comprised a significant proportion of employees. In 2003, 44.8 percent of the Local One members were deployed in such positions.[20] Workplace concentration encouraged close interaction among homogeneous workers, thus making their collective action easier.

Shift workers in continuous production were particularly noted for their group cohesion. They rarely worked alone; their teamwork was essential to keep production running smoothly in a risky environment of high temperatures, high pressure, and toxicity. My field observations indicated that their shift (*bang*) functioned as a moral community for individual workers. Not only did they share the daily rhythm of rotating shifts, but also they had to cook their meals and rest on a collaborative basis. As observed in a study on the American oil-refining industry (Halle 1984, 119–25), the process workers

enjoyed a high degree of work control and developed a rich culture of social activities. In the CPC, while staff engineers tended to be transferred to another workplace every few years, shift operatives often stayed in the same unit for more than ten years. The workers I interviewed claimed that even family members did not share so much time together. Hence, it was not a surprise that when the Local One mobilized its members for a protest, the entire shift of workers would join together. It was seen as morally reprehensible for a shirker not to want to “waste his time” in union activities.

Finally, the residential arrangements also mattered. In the colonial period, Japanese planners had practiced the same design principle of integrating production and residence. However, later developments diverged. The TSC sugar refineries were located in rural areas, so employees found it comparatively easier to obtain house ownership outside the company grounds. Over the years, the exodus of workers and low maintenance commitments on the part of management had made the company residences virtually uninhabitable. The metropolitan location, on the other hand, encouraged the Kaohsiung Refinery workers to live in the residence due to the higher cost of outside housing. Even though the CPC was unwilling to invest to improve the quality of living, the rise of independent unionism successfully led to permission to renovate or rebuild the company housing at workers’ own expense. Thus, the Kaohsiung Refinery residence evolved into a thriving neighborhood (Wang et al. 2011).

Collective action by the Local One was easier because of their concentration, homogeneity, and proximity. During its initial period, dissident workers in the Kaohsiung Refinery made strategic use of these factors. They were mainly shift workers in the production units, and their workshop coworkers were often their steadfast supporters. The concentration of production units in a factory complex facilitated communication beyond the workshop. A common residential area enabled workers to build a dense interpersonal network, which even included their family members. Workers’ off-duty interactions beyond the surveillance of KMT security agents constituted what McAdam (1982, 25–31) has called an “indigenous resource.” That both Yang Qingchu in the 1970s and the independent unionists of the 1980s first campaigned for support in the company neighborhood demonstrates the mobilizing utility of residential proximity.

Similar efforts by the TSC independent unionists were inherently crippled by ecological factors. Chen Jinming, who led the labor union at the Suant’ou Refinery for two terms, is an instructive case. Although he could build solid support at one subsidiary, he faced

Figure 7.2 A dilapidated dormitory house at the Huwei Sugar Refinery.
Permission by Ming-sho Ho.

Sugar refinery dormitory used to represent the privileged status of labor aristocrats in colonial and early postwar era. Its gradual deterioration due to the neglect of TSC management, as well as the relatively cheap land price in rural areas, encouraged workers to obtain their private housing outside. In the late 1980s, when independent labor unionism was on the rise, the spatial dispersal made it more difficult to mobilize TSC workers.

persistent difficulties in extending his influence. In order to overcome the dual disadvantages of spatial dispersion and smaller workplaces, he organized an alumni association of former worker students, who used to attend a TSC-supported high school. In hindsight, the use of the alumni network was but a second-best strategy. The CPC also hired several cohorts of worker students in the early years, but with workers' ecological advantages, they did not have to use this resource during the mobilizing period. In addition, Chen's use of the alumni network brought about limited results. At the Talin Refinery, the closest production unit to his Suant'ou base, his activism only gained a few sympathizers. And he was unable to obtain a position at the FIUTSC, which remained under KMT control. Chen's movement career was brief; he quit the TSC soon after his defeat in the 1989 election. Thereafter even his former coworkers at the Suant'ou Refinery did not know his whereabouts simply because they had few off-duty contacts.[21]

The Decline of Social-Movement Unionism

Social movements proceed in a cyclical pattern; the ascending protest wave is inevitably followed by a declining curve (Tarrow 1988). Like individuals' shifting of involvement (Hirschman 1982), labor unions that have been intensively devoted to public concerns are likely to withdraw into a narrow attention to members' interests. In the case of the United States, scholars have discovered that a series of factors, such as union bureaucratization, anticommunism, and cooptation, domesticated the militant unionism of the 1930s to accept postwar capitalism (Aronowitz 1982; Buhle 1999; Davis 1986).

Taiwan's post-1987 labor movement in general and independent unionism in the SOEs in particular experienced the same rise-and-fall pattern. Let us first look at the overall movement trajectory. By the time that the DPP's Chen Shui-bian defeated the KMT again in the 2004 presidential election, the labor movement had obviously lost momentum. The lifting of martial law set forth a wave of unionizing, which reached its climax in 1990, when there were 1,354 industrial unions[22] and 699,372 members. Thereafter there was a secular decline trend. In 2004, the numbers of industrial unions and members had reduced to 1,117 and 595,001.[23] The legalization of the TCTU in 2000 was a milestone for Taiwan's labor movement, and the political clout it possessed once raised hopes for a renewal in labor militancy. However, in its first few years, its organizational weakness was apparent. Between 2000 and 2003, nearly half of its revenue came from government subsidies, and far from expanding its mass basis, overall membership actually dropped due to incessant factional strife (Ho 2006a, 123–26). In 2005 and 2007, two successive waves of walkouts further weakened the already fragile organizational basis (Chiu 2011a, 68), dealing a deadly blow to its claim to represent the lineage of the post-1987 labor movement.[24]

The political opportunity opened by the transition to democracy was offset by a greater force in the economic restructuring. In the 1990s, as many companies relocated their production to Southeast Asia and China, Taiwan experienced a steady contraction of manufacturing jobs. The rising high-tech industries in microelectronics were not easily unionized because their employees were rewarded with stocks and options and hence were more individualistic in orientation (Wang 1999). Labor activists persistently found it difficult to push the unionizing drive beyond their traditional strongholds of heavy industry and transportation.

This is not to imply that Taiwan's labor movement failed to obtain substantial achievements for the working class. In Chen Shui-bian's first term (2000–2004), the TCTU helped to secure a number of legislative successes concerning gender equality, unemployment insurance, and protection from occupational hazards and mass dismissal (Ho 2006b, 134–35). However, mainstream unionists had failed to respond to the needs of the growing number of workers who remained stuck in the secondary labor market, such as foreign workers, part-time workers, and contingent workers. These workers usually received the minimum wage set by the government. Clear evidence of the neglect can be seen in the stagnation of the legal minimum wage between 1998 and 2007 at the same time as living costs rose considerably. Union leaders were slow to respond to the challenges of the service economy and the consequent feminization of employment. Only a few professional labor movement organizations took seriously the impacts of economic restructuring upon labor politics. The TLF, for example, turned its attention away from the manufacturing sector and tried to organize white-collar workers in social work, medical care, and nursing.

The change in the TPWU Local One offers a concrete example of the decline of social-movement unionism. Labor Link activists were regular participants in a number of political and social protests in the late 1980s. A decade later, their attention had turned inward and involvement with public issues had become less frequent. The following table classifies the events in which the Local One mobilized its members for protest.

In terms of protest frequency, the Local One did not become less militant. The average number of annual protests during the two periods was almost the same (2.29 and 2.33); yet, the focus of TPWU

Table 7.3 Protest participation of the TPWU Local One (1992–2003).

Years	Total Cases	Politics	Class	SOE	Company
1992–97	16	1	10	3	2
1998–2003	14	1	5	4	4

Note: (1) Data based on TPWU Local One (1994, 1996. 1998) and subsequent union papers (the author's classification). (2) "Politics" refers to issues related to all citizens; "Class," issues related to the working class, such as the revision of the Labor Standards Law; "SOE," concerns that pertain to state workers only; and "Company," the narrowest claims that affect CPC employees only. (3) I choose 1997–98 as a demarcation because Huang Qingxian vacated the leadership of the Local One to assume the TPWU presidency in March 1998.

Local One activism had visibly shifted. From 1992 through 1997, they were likely to mobilize for broader issues that concerned all citizens or the working class (11 out 16), whereas the specific interests of SOE workers or CPC employees later predominated (8 out 14). Clearly the independent unionists had relinquished the ambition to "socialize the labor movement."

As noted, Local One activists had been sympathetic to the Houchin residents' demand for a cleaner environment. In 1990, the delayed construction of the fifth naphtha cracker finally began, with the government's promise to evacuate all petrochemical facilities in 2015. As the deadline approached, the Kaohsiung Refinery workers feared that they might lose their rice bowl. Consequently, the Local One initiated a campaign to lobby the government for new investment in the same site, which would have practically broken the 1990 pledge. In 2002, partly due to pressure from the union, the CPC announced a new "high-tech petrochemical project" to replace the fifth naphtha cracker, which gave rise to a new round of Houchin protests. As I was doing field research there at the time, the Local One unionists even asked me to prepare a survey questionnaire in order to "communicate" with the Houchin residents. The mass fear of losing jobs drove the independent unionists to take the company's business considerations as their priority. During the period 2005–2008, the CPC launched a project to expand its facilities in the Linyuan plant of the Kaohsiung Refinery, which encountered entrenched opposition from local residents and environmentalists (Ho 2010b). During that controversy, the Local One mobilized its members to support the company and thus set forth several rounds of nasty confrontations between unionists and pollution victims.

Also foregone was the claim to be the vanguard of Taiwan's labor movement. In 1999 and 2000, as the author worked as a campaign volunteer in the Local One, TLF activists made an effort to persuade the unionists that they should cooperate with the workers of the privately owned FPG since its oil refinery was about to begin production, thus breaking the hitherto state monopoly on petroleum. Otherwise, business competition would result in workers' rivalry. This suggestion was not taken seriously. When the FPG finally launched their fuel product in 2001, the CPC workers felt threatened by the new competitor. The Local One even published a hostile newspaper advertisement to remind consumers to stay loyal to the CPC brand (Chen and Wong 2002, 77–78). Correspondingly, the linkage between the Local One and the TLF appeared more distant. A symbolic change suffices to reveal the estranged relationship. From the founding of its union paper in 1992, the Local One always inserted a small column to

encourage members to donate to the TLF. In 2003, the advertisement was replaced by a certain foundation that specialized in "mediating industrial disputes professionally." Symptomatically, the independent unionists no longer saw themselves as a part of Taiwan's labor movement. Moody (1988, 51) has noted that the rise of American business unionism resulted in "the dissolution of the previous connection of insurgent workers with political intellectuals." The Local One grew more insular with its gradual alienation from the TLF. Since 2003, no TLF activist has come to assist the Labor Link in the union election.

With the exhaustion of the impulse of social-movement unionism, what followed was a practice that I call *economic unionism*. It is somewhat akin to the American-style business unionism, which means "the narrowest definition of a union's role in society and area of service to its members" and "discourages widespread membership participation and legitimates oligarchic leadership" (Lipset 1981, 427). Taiwan's case shows the same restrictiveness in unions' self-identity, but without the excessive bureaucratism. The exclusive devotion to members' interests and foregoing the potentially larger social role of labor unions, for some commentators, is a pathological symptom of interest groups, which necessarily play a subordinate role to political parties and government (Touraine 1986, 170, 173). However, in Taiwan's context, I still view economic unionism as workers' resistance for two reasons. First, in spite of the narrowed focus on immediate interests, economic unionism still challenges the managerial authority on behalf of the rank-and-file members. This is particularly significant when state workers are facing the threat of privatization. Second, a functioning labor union without party-state control, though barely a guarantee of worker interests, is nevertheless an achievement of recent democratization. The following section will show that the Local One remained militant and prone to protest, but its attention mainly focused on the immediate interests of its members, even at the cost of incurring the animosity of environmentalists, pollution victims, and workers in other sectors.

Privatization as a Threat

The transition to economic unionism took place as Taiwan's democracy consolidated. The DPP's conservative turn during its tenure (2000–2008) had left many independent unionists ideologically anchorless. They found it difficult to square their support for the DPP with the DPP's pro-business policy orientation. The DPP's practice of appointing union leaders to governmental positions incurred the

Figure 7.3 Zhong Kongzhao's campaign brochure for the TPWU election (2003).

Permission by Zhong Kongzhao

Zhong Kongzhao was widely seen as Huang Qingxian's protégé and successor. However, the decline of social movement unionism negatively affected his union career. Dissident workers lost the 2003 TWPU election to the pro-KMT unionists. Zhong later left the world of labor unions by becoming the Labor Bureau Director of Kaohsiung City in 2005.

criticism of co-optation, sowing the seeds of internecine strife. While leading the TPWU and the TCTU, Huang Qingxian was appointed as presidential advisor (2001–06). Zhong Kongzhao, a charismatic Local One unionist, was widely expected to succeed Huang. Labor Link's electoral setback in 2003 (see Table 7.2) frustrated his attempt, and thus the KMT obtained control of the TPWU until 2009. Zhong, however, was appointed as the Labor Bureau director of the Kaohsiung City government in 2005.

True, the DPP's coming to power and its conservative orientation hastened the demise of social-movement unionism by discrediting the leadership. Nonetheless, the retreat to economic unionism was ultimately a response to state workers' fear of privatization.

Privatization became the policy solution to the ill-performing state sector in the late 1980s. By embracing neoliberal hegemony, economic officials gave up the statist belief in "rationalizing SOEs," as evidenced in the 1960s attempt to implement the internal labor market reform, and came to accept the idea that the transfer of ownership was the only way to increase efficiency (Chang 2002). The first large-scale privatization occurred in 1994, in which the shares of several SOEs, including the China Petrochemical Development Corporation (the CPDC, a joint venture with the CPC), were sold to private investors. However, the 1994 transfer involved a public scandal in that a pro-KMT financial capitalist obtained control of the privatized CPDC through a questionable market operation. The new owner of the CPDC quickly dismissed workers and shut down operations in order to redevelop the factory land commercially. For critics, the CPDC case revealed that privatization was no less than the "transfer to the KMT" (*dangyinghua*) (Taiwan Labor Front 1998).

The CPDC workers used to constitute five locals of the TPWU before 1994, but the new owner forced the CPDC locals to withdraw from the TPWU. Hence the CPC workers had intimate knowledge of how privatization would affect them negatively. Since very early on, to oppose privatization had become an article of faith among independent unionists. In 1995, the TPWU Local One held a petition to oppose management's decision to restructure the company into several business divisions—widely believed to be a preparatory procedure to divide the mammoth CPC for eventual privatization. Making use of the homophone, *shiyebu*, the independent unionists argued that "business division" was in reality "unemployment division." They published a brochure to emphasize the principle of union solidarity and opposed any attempt to break up the workforce (TPWU Local One 1995). The threat of privatization, indeed, radicalized state

workers into more militancy. In March 1998, a KMT TPWU president was deposed for his failure "to oppose privatization as much as he should."[25] His successor was Huang Qingxian, whose impeccable credentials as an independent unionist were thought to symbolize the antiprivatization commitment.

However, radicalization was only the short-term effect; once privatization dragged on to become a long-lasting threat, it would bring about a divisive impact upon class solidarity. After becoming the ruling party, the DPP came to accept neoliberal ideology and continued the privatization policy. In 2002, the DPP government announced an even earlier schedule of privatization for the remaining SOEs, including the CPC.[26] Aggravating the CPC workers' woes was the FPG's rise to share the domestic fuel market in 2001. Facing the twin dangers of liberalization and privatization, Huang Qingxian led the TPWU into a legislative offensive to ensure a level playing field for the CPC. Huang believed the liberalization of the fuel market posed a more serious danger than privatization because the CPC was legally obliged to shoulder a number of policy goals at its own cost. He strove to put the union-drafted Petroleum Management Law into practice, but many rank-and-file members were dissatisfied with him for paying less attention to the antiprivatization campaign.

While Huang drew heavy criticisms, the Local One experienced a centrifugal force, which threatened to push it apart. Linyuan, Talin, and the main plant constituted the CPC Kaohsiung Refinery. The main plant was older and its fuel-refining operation was directly threatened by the rise of the FPG. The Talin plant was devoted to the same product, but its facilities were newer and more efficient. The Linyuan plant, on the contrary, produced upstream petrochemical materials that were relatively free from FPG competition. The company data indicates that the main plant had 2,355 employees, and the annual product per capita was NTD 40 million, while the figures for the Linyuan plant were 1,243 and 92 million (Control Yuan 2003, 23). The overstaffed and outmoded main plant appeared most vulnerable, while the Linyuan plant was the safest one.

The Labor Link unionists knew the danger of stirring up an interplant rivalry. In the union election of 1997 and 2000, the KMT candidates proposed an idea to split the Local One into three individual unions. Labor Link countered that separation would dilute workers' strength and make privatization easier. However, in 2001, a group of ex–Labor Link unionists initiated a campaign to unionize Linyuan workers separately. Their argument was that the main plant suffered from personnel redundancy, and the Linyuan plant workers

would be better protected with secession from the Local One. Management had obviously offered support so that these "unionists" were allowed to run a parallel "union service office."

In 2002,Lin Jixiang, the standing director of the Local One, issued a circular exclusively to the main plant workers to encourage them to apply for positions in the Talin plant. This move angered the Talin unionists, who interpreted this as a case of dumping "excess" workforce on other "healthy" units. This became one of the triggering factors that made Talin and Linyuan unionists join together to depose Lin Jixiang in 2003. The next year, Xu Junxiong (a pseudonym) of the Talin plant, became the standing director, but Lin Jixiang did not give up. Lin also attempted to set up a parallel union that included the main plant workers only. Due to Lin Jixiang's personal connections in the local city government, the Labor Bureau even granted legal status to his separatist union and pressured the management to provide offices and subsidies for its operation.

The evolution of union politics after 2001 shows the divisive impact of the threat of privatization. Independent unionists not only failed to preserve union solidarity across different production units, but their interpersonal struggles worsened the already existing disunity.

I will conclude this section with a closer look at Xu Junxiong, whose rise in many ways represents the triumph of economic unionism. Xu Junxiong entered the CPC in 1989 when independent unionism had already emerged. Almost a generation younger than Huang Qingxian, Xu Junxiong followed an almost identical career path by leading the Local One (2004–09) and later becoming the TPWU president (2009–12). Like his predecessor, he was also Taiwanese and an operative. Nevertheless, because of his younger age, his experience with the ethnic discrimination and party-state domination was brief. Rather than a dyed-in-the-wool DPP supporter, Xu's approach was pragmatic; he often said that if the company did not make money, there was no way for workers to receive a satisfactory wage. While he was still a unionist in the Talin plant before 2004, Xu had secretly worked with the local management to secure a business deal to refine oil for Chinese clients—then still considered a politically sensitive issue. He decided to keep the deal secret because he thought other plant unionists might become jealous. At that time, a Taiwanese SOE's business transaction with a Chinese client was not entirely legal so media exposure might have killed the deal. Upon becoming the union leader, Xu refrained from such particularistic behavior in public. He still maintained that what was good for the company was also beneficial for the workers. He applied the same pragmatic principle to party

politics. Before 2008, Xu mobilized his constituencies to support the DPP candidates. After the second power transfer that brought the KMT back to national power, he changed his party identification. In the 2010 city mayor election and the 2012 presidential election, the TWPU under Xu's leadership endorsed the KMT candidates because it was thought they would provide a more business-friendly environment that could ultimately benefit his union members.

Under Xu's leadership, the TWPU had come full circle to embrace political conservatism. Senior Labor Link activists, such as Huang Qingxian, did not countenance Xu's political choice. And they found it utterly incomprehensible how independent unionism had come to support its old nemesis. However, the logic of economic unionism dictated political opportunism in that unionists should always bet on the most resourceful side. Since Ma Ying-jeou had led a successful KMT comeback by winning the presidency in 2008 and possessed a strong majority in the Legislative Yuan, there was no reason to challenge the conservative hegemony. Xu, as a matter of fact, was following the Gomperian principle of "rewarding your friends and punishing your enemies" and, thus, bringing his labor union further away from progressive politics.

Conclusion

In his analysis of labor protests by American and British machinists in the early twentieth century, Haydu (1988, 219) has argued that workers' radicalism "developed only under specific and rather fleeting historical conditions; and those coalitions proved difficult to sustain even in the best of circumstances." Likewise, a historical survey reveals that Taiwan's SOE workers' social-movement unionism was largely a transitional phenomenon. It suddenly burst onto the scene with the crisis in authoritarian control and gradually faded away as democracy was consolidated.

The termination of martial law in 1987 generated a wave of social-movement unionism in Taiwan. During its decade-long flourishing, labor constituted an essential component of the nascent civil society and worked to democratize Taiwan's society. Over the years, rank-and-file workers wrested the leadership of their unions, improved the status of bottom-tier operatives, dismantled party-state control, broke loose from the state-corporatist straight jacket, and put their legislative agenda in parliament. It was a period when independent unionists dared to dream big and demanded a larger social role for the working class.

The coming of the DPP government in 2000 marked the consolidation of Taiwan's young democracy and, unexpectedly, the gradual demise of social-movement unionism. The TPWU case demonstrates that the threat of privatization exerted a constraining effect as rank-and-file members' job security was threatened. Economic unionism gave up the ambitious politics-of-becoming and focused on defending the status quo. By adopting a narrow definition of membership, labor unions became a special interest group. A new pragmatism came to guide unionism, as it became less political and less ideological. The irony is that the attempt to protect members' economic interests resulted in further disunion among the rank and file. Workers' solidarity was pulverized, as interplant rivalry threatened to dissolve unions. Economic unionism brought about a situation that assumed an uncanny resemblance to the earlier era of petty bargaining, when workers' claims were unprincipled, trivial, and most important of all, ineffective.

Chapter 8

Rethinking Institution, Solidarity, and Resistance

This book traced the trajectory of the class formation of Taiwan's SOE workers over more than half a century, which witnessed tremendous change in the nation's political economy. In 1945, Taiwan was an agricultural society, heavily worn out by wartime extraction and destruction, and anxious about the resumption of Chinese rule. Decolonization was a bitter experience, as the KMT government imposed a despotic rule and command economy upon the isle. The massacre following the 1947 uprising, the communists' victory in the civil war in 1949, and the 1950 outbreak of the Korean War consolidated the authoritarian control of an émigré regime. At the terminus of my observation period, Taiwan had already entered the postindustrial age, in which the tertiary sector surpassed manufacturing in terms of employment and the labor-intensive export sector had virtually disappeared. The long night of the White Terror reign and party-state domination had become a distant memory. Taiwan's vibrant democracy had witnessed two consequential and peaceful power transfers, first with the rise of the DPP in 2000 and followed by the KMT's victorious comeback in 2008. Democratization also set forth a powerful trend of cultural and political indigenization. No longer satisfied with the KMT's outdated claim to be an "island China" nor with the CCP's dogmatic insistence that Taiwan is a "rebellious province," the Taiwanese people began demanding international recognition of their presence following their economic and democratic successes. As if history were playing a practical joke on the Taiwanese people, the China factor emerged again. Taiwan's nationalistic claim for statehood encountered the

economic and military rise of China. Economic integration across the Taiwan Strait, symbolized by the 2010 Economic Cooperation Framework Agreement, bodes an uncertain future. The Taiwanese people face a tough choice between political freedoms and economic interests, and how they manage to cope with this dilemma remains to be seen.

Taiwan's SOEs traversed a meandering path during this period. At the beginning, the SOEs comprised all the industrial assets inherited from the colonial period. The overnight creation of a vast state-controlled sector gave the exiled KMT elites the commanding height over the economy and buttressed Mainlanders' privileges. The economic significance of the SOEs steadily declined as US aid spurred the development of private industry in the 1950s and the export-oriented turn in the 1960s gave rise to a thriving sector of small and medium enterprises. Previously, the economic bureaucrats manifested a statist faith in the rational management of the SOEs. However, by the late 1980s, persistently poor performance and the rise of neoliberal hegemony had convinced the officials to accept the solution of privatization, which was also followed by the DPP government. For nearly two decades, the government sold many profit-making SOEs and down-sized or closed those with financial troubles. At the time of writing, the CPC and the TSC remained fully owned by the government. These two SOEs were inherently difficult to privatize. Though no longer monopolistic in the domestic fuel market, the CPC remained a handy policy instrument to absorb the shock of high petroleum prices, whereas the TSC was still the largest landowner in Taiwan and its transfer to private investors would constitute no less than a huge land sale.

I begin the conclusion with a historical review to highlight the fact that class formation is necessarily affected by a plethora of contingent, casual, and capricious factors. Workers make their own history, but not under circumstances that they choose. More often than not, the circumstances already proscribe the range of their responses. The collapse of the Japanese colonial empire brought them under postwar state management and ethnic domination. As a reaction to military setback, the KMT imposed party-state control in the workplace. At times, workers took the initiative to resist their dependency. The growth of private economy allowed them to moonlight for extra income. Making use of the relaxed political atmosphere in the 1970s, they pressured their unionists to promote petty demands. Rising on the wave of democratization, they mounted a sustained independent

unionism. All these attempts were possible because the preexisting circumstances allowed workers to practice particular forms of resistance.

What have been referred to as "circumstances" in the above paragraph make up the research foci of historical institutionalism. Institutions are the social rules that simultaneously constrain and facilitate action. Institutions matter because they come with distributive consequences, which engender a dialectics of struggle in which privileged groups try to consolidate their gains while the disadvantaged minimize their loss or, when possible, challenge the existing rule. In this book, I paid special attention to those institutions that have had a profound impact upon workers' solidarity, and they are ethnicity, the party-state, the internal labor market, and labor unions. The first three institutions produced the effect of fracturing the working class in different ways, while the last one provided a foundation for plant-wide solidarity, at least during the social-movement unionism period.

We have seen a number of successive institutions that structured the solidarity of Taiwan's SOE workers. Some institutions or distributive rules were not an intentional result, such as the ethnic domination in the immediate postwar era and the emergence of moonlighting opportunities in the 1960s. Some were meticulously planned and promoted with great determination, such as party-state control and internal labor market reform. Even under high authoritarianism, the attempt to legislate new institutions from above encountered the inertia of the previous ones and produced unforeseeable consequences. The KMT's Leninist transformation failed to transcend the existing ethnic divide, while the principle of scientific management was subverted by the politics of ethnicity and partisanship.

Once set in place, institutions develop a course that does not necessarily abide by the original intent of their architects. Over the years, how an institution functions may differ greatly from how it was originally designed, and labor unions in Taiwan's SOEs are a clear case of this. Being a product of the KMT's Leninism, they were intended to be front organizations for the party branch. Later on, unions assumed greater independence and became the vehicle of workers' petty bargaining. The end of martial-law rule emboldened the rank-and-file workers to wrest control of their unions and launch a sustained challenge to the party branch.

The historical survey indicated that institutional changes came from both exogenous and endogenous sources. The first half of

Taiwan's postwar era witnessed the KMT's hegemony over the Taiwanese working class so that ethnic divide, party-state control, and internal labor market reform were successively imposed from above. Workers' clandestine insurgency in the early years represented a failed attempt to challenge its domination exogenously, while their social-movement unionism more than 30 years later was a partial success in dismantling the party-state control. The endogenous route of institutional change was easily neglected for it proceeded behind a seemingly stable façade. Oftentimes the endogenous change came from workers' nonobvious ways of resistance that radically altered the consequences of institutional rules. The party-state's greedy extraction of political loyalty gave rise to evasive and apathetic ritualism, while workers' aggressive use of labor unions for their personal grievances enhanced the role of their union leaders vis-à-vis party cadres.

Back to the analytic framework outlined in Figures 1.2 and 1.3, historical institutionalism is basically an inquiry into the dialectic of structure and agency. Applying this theoretical perspective to working class formation means that we need to understand the circumstances that give rise to workers' resistance and how their defiant actions impact the preexisting conditions. The following table recapitulates this book's historical survey of Taiwan's state workers.

A historical institutionalist analysis of working class formation sheds light on the fact that proletarianization as well as workers' resistance takes place under given institutional conditions. Institutions evolve, sometimes from their own internal dynamics and sometimes from external impacts. Nevertheless, there has rarely been a moment in which all the existing social rules "melt into the air" so that a class member is "compelled to face with sober senses" her or his class situation only (Marx 1973: 70–71). The "formation of proletariat into a class" scenario envisioned in the *Manifesto of the Communist Party* assumes the progressive dissolution of nonclass institutions and projects the future as a crystallized class society, which simply does not happen. The tenacity of nonclass institutions continues to divide workers and gives rise to diversified forms of resistance.

The persistence and mutability of institutions determine that working class formation is always contingent and constantly renegotiated. Workers emerge as a social actor when industrialization brings about proletarianization. However, there is never a destined telos toward which they will gravitate. Working class formation

Table 8.1 Institutions, workers' solidarity, and resistance of Taiwan's state workers.

Period	Dominant Institutions or Institutional Tendencies	Institutional Patterning on Workers' Solidarity	Workers' Resistance	Institutional Change
From 1945 to the mid-1950s	Neocolonialism	Ethnic polarization	Revolutionary insurgency	No change due to government repression
From the mid-1950s to the early 1960s	Party-state mobilization	Partisanship layered upon ethnic divide	Ritualism	Weak endogenous change: limiting the party-state penetration and SOEs' inefficiency
From the early 1960s to early 1970s	Internal labor market reform	Position layered upon ethnicity and partisanship divide	*Guanxi*	Weak endogenous change: SOEs' inefficiency
From to the early 1970s to 1987	Growth of private-sector economy	Individualistic pursuit	Moonlighting	Strong endogenous change: reduced workers' dependency on their company authorities
From the early 1970s to 1987	Weakened authoritarian rule	Sectoral competition	Petty bargaining	Strong endogenous change: growing labor unions' detachment from party-state
From 1988 to 1999	Democratization	Quasi-class solidarity based upon union membership	Social-movement unionism	Strong exogenous change: labor union independence and labor law reforms due to labor activism
From 2000 to 2012	Neoliberal privatization and DPP's conservative turn	Company-wide or plant-wide solidarity	Economic unionism	Weak exogenous change: privatization delayed and labor law reforms

sometimes entails deformation, and it remains essentially an ongoing process.

Intraclass Divide and Its Theoretical Implications

The experience of Taiwan's SOE workers offers us a case in which the *intra*class rather than *inter*class divide gives rise to workplace contentions. All the wage earners in the national industry are in the same economic position; however, it is their internal difference that fuel labor activism. The classical Marxian scenario predicts the emergence of worker radicalism upon the complete polarization *between* classes. Should that happen, "the proletarians have nothing to lose but their chains" (Marx 1973: 98). Taiwan's clandestine communist movement in the early 1950s underscores the volatile situation in the workplace when neocolonial domination results in a working class divided by ethnicity. Complete polarization *within* a class, therefore, turns out to be no less a powerful driving force for worker radicalism than *between* classes.[1]

The Leninist transformation and the implementation of the internal labor market represented two consecutive attempts from above to transcend the existing ethnic cleavage, albeit for different purposes. Both times, the incumbents' intention was far from being realized. Partisanship did not completely replace ethnicity, and neither did the scientific principle of measuring one's contribution objectively make ethnicity and partisanship obsolete. However, it is not to say these attempts produced no perceivable outcomes. In both cases, there was a partial revision of the preexisting divides so that the previous demarcation lines became increasingly blurred. Through the preferential treatment of loyal workers, the KMT's party-state allowed a minority of Taiwanese to rise above their compatriots. In a similar fashion, by making good positions more rewarding and more difficult to obtain, those who possessed higher positions might have enjoyed some privileges that were denied to the KMT Mainlanders.

Historical institutionalists use the concept of *layering* to denote this intermediate situation that falls in between complete reproduction and complete replacement. The continuous layering of the intraclass divide prevented growing polarization in the workplace. Supposing the KMT had not eagerly recruited Taiwanese party members in the early 1950s, the SOE would have become a hotbed for ethnonationalistic radicalism, no matter how repressive the KMT regime was.

Therefore, following the brief wave of underground insurgency, workers' resistance became less directional and less focused. They practiced ritualism to cope with the party-state extraction of their loyalty and employed the strategy of *guanxi* to obtain better positions. The intraclass divide persisted as a social fact in the workplace, but it became increasingly difficult to draw an unambiguous boundary between the winners and the losers.

The significance of intraclass divide as a source of workplace contention has a wider theoretical implication. According to the Marxian scheme, exploitation is an interclass process in which the owners of the means of production appropriate the surplus value created by the direct producers. There is no way to extend the concept of exploitation to cover the intraclass inequalities without violating the original Marxian premise. This is a theoretical lacuna that neo-Weberian scholars often point out. Parkin (1979, 46), in particular, criticizes the excessively economistic understanding of exploitation in Marxian literature. By narrowly focusing on the surplus production and its appropriation, Marxian scholars tend to neglect those forms of domination that do not take place between classes. To be sure, Weber disagrees with the Marxian assumption of the primacy of control over the means of production. For him, workers' alienation does not originate from private property, but because of the bureaucratic domination that accompanies modern industrialism (Mommsen 1985, 242).

Despite the fundamental differences between these two theoretical paradigms, I believe the neo-Weberian focus on "work and authority in industry" (Bendix 1956) can be a fruitful insight in studying the Marxian question of working class formation. Instead of fruitless paradigm warfare, a synthetic approach enriched by cross-fertilization proves indispensable. By paying more attention to the intraclass divide in industrial organization as well as the various forms of domination other than interclass exploitation, we stand a better chance of grasping the full panorama of how the working class responds to its powerlessness.

Rethinking Workers' Resistance and Class Solidarity

Taiwan's SOE workers have practiced a wide-ranging repertoire of resistance. Their activities included revolutionary insurgency, ritualism, *guanxi*, moonlighting/petty bargaining, social-movement unionism, and economic unionism, in that temporal sequence. The

development clearly deviates from the classical Marxian prediction. It does not evolve from economic struggle to political struggle, and neither is there a trend of increasing radicalism. Worker militancy is usually brief and intermittent, followed by more routine forms of resistance.

To summarize the discoveries of the preceding chapters, I arrange the seven forms of resistance among workers in Taiwan's SOEs from 1945 through 2012 in the following table, starting from the least contentious type.

It should be noted that the first three forms of workers' responses—ritualism, *guanxi*, and moonlighting—fall into the category of everyday resistance because of the necessity of being hidden from official surveillance. In spite of their seemingly compliant façade, they are essential means of maintaining workers' autonomy and own sense of efficacy in difficult times. However, recognizing these veiled and anonymous acts of opposition as well as their far-reaching consequences does not mean that we should overstate their significance. It seems to me that James C. Scott, who is indisputably a great connoisseur of the little people's struggles, overemphasizes the shrewdness and cohesiveness of the subordinate. According to him, everyday resistance should be seen "as a condition of practical resistance rather than a substitute for it" (Scott 1990, 191). However, the *guanxi* strategy used by the socially skillful workers perpetuated workers' dependency on their supervisors and sowed the seeds of discord among coworkers, even though it might have brought some tangible rewards to a few individuals. In short, the pernicious use of

Table 8.2 A typology of workers' resistance.

	Defensive/ Offensive	Hidden/ Public	Getting/ Becoming	Competitive/ Collaborative
(1) Ritualism	Defensive	Hidden	+/-	+/-
(2) *Guanxi*	Offensive	Hidden	Getting	Competitive
(3) Moonlighting	Offensive	Hidden	Getting	+/-
(4) Petty Bargaining	Offensive	Public	Getting	Competitive
(5) Economic Unionism	Offensive	Public	Getting	+/-
(6) Social-Movement Unionism	Offensive	Public	Becoming	Collaborative
(7) Revolutionary Insurgency	Offensive	Public	Becoming	Collaborative

Note: The sign "+/-" means inapplicability or ambivalence.

guanxi actually made practical resistance even more difficult by shattering workers' solidarity.

Chronologically speaking, there was no linear progression from primitive resistance to the organized and conscious variant. True, with the establishment of democracy, Taiwanese workers no longer had to hide their opposition behind those forms of everyday resistance, as they had secured a functioning labor union and a working public sphere. But the period in which they embraced class identity and mounted a class-wide challenge was brief and soon replaced by the pursuit of nonclass interests.

Furthermore, workers' responses are inevitably bounded by the changing institutional rules that divide and fragment their internal cohesion. Echoing Perry's discovery about Shanghai workers, I argue that workers' collective action never proceeds on class unity only, and more often than not, workers' resistance takes place precisely because of internal class divisions. Workers' resistance does not necessarily strengthen the participants' solidarity; the results can be divisive as well as unifying.

Workers' responses to their dependency in modern industrial organization come in many shades. True, oftentimes, they simply follow the direction of their superiors without even raising questions. But there are times when they self-consciously make efforts to improve their underprivileged situation in direct violation of their expected role. These forms of everyday resistance matter because they have the effect of neutralizing control from above and carving out a personal sphere of autonomy.

I find it necessary to include ritualism, *guanxi*, and moonlighting as types of workers' everyday resistance. These activities take place in the private realm and usually require a considerable amount of skill in impression management to conceal their existence. As stressed by Scott (1990), there have been extreme situations of repressive domination in which a public act of insubordination proves fatal. Taiwan's party-state authoritarianism in the 1950s and 1960s approached such a case. Therefore, should we overlook these minuscule, yet numerous, acts of ritualism, *guanxi*, and moonlighting, we would have to accept a passive picture of worker quiescence. In fact, these everyday forms of resistance not only helped workers to survive the highly repressive regime by setting a defensive perimeter that the authority could not trespass, but also left an indelible impact upon industrial organization. For example, the proverbial inefficiency of Taiwan's SOEs is partly an accumulated result of workers' calculated responses to their subordination. From the perspective of historical institutionalism,

these acts of nonobvious resistance gave rise to endogenous change so that how an existing institution was actually radically altered from within.

We need to recognize that workers' resistance is not necessarily synonymous with class-wide solidarity. Granted that intraclass divisions can act as a stimulant to workers' activism, how a working class is structured by existing institutions and the distribution of social ties within them turns out to be pivotal in understanding the dynamics of workers' resistance. Gould (1995, 25–29) rightly points out that the chief shortcoming of the culturalist approach to working class formation consists in the failure to see that collective identity is essentially embedded in social ties. Hence institutional changes matter because a new pattern of social ties makes possible a new form of workers' resistance.

Just as fragmented solidarity can generate workers' contention, the effect of resistance may also unintentionally intensify a centrifugal tendency. Speaking of the "making-out" game in monopoly capitalism, Burawoy (1979, 195) argues that "class struggle [is] not the gravedigger of capitalism but its savior" as workers' antagonism is redirected toward their coworkers. Similarly, workers adopt a competitive stance when practicing the strategies of *guanxi*, petty bargaining, and economic unionism. By improving one's situation at the expense of others, worker solidarity is further pulverized.

Is there any room in Taiwan for a workers' resistance based on a broader foundation of solidarity? The strategy of social-movement unionism practiced by independent unionists in the 1990s represents such an inclusive and progressive form of worker contention. As identified by Ansell (2001, 36), two conditions that prevent workers' activism from schism are "cross-cutting networks that counterbalance against closure" and "syncretic cultural meanings." Once dissident workers obtained control of their union, they practiced a more holistic approach to defending members' interests, regardless of their ethnicity and position. In a sense, common union membership became the "cross-cutting network" that sustained union militancy. The independent unionists' anti-KMT identity functioned as the unifying "syncretic cultural meaning" in the context of democratization as a resurgent civil society emerged in challenging the KMT authoritarianism. Seen in this perspective, the dissolution of social-movement unionism and the concomitant rise of economic unionism took place because workers had lost these two critical resources. Privatization, as well as the threat of it, devalued the significance of common union membership, as different plant workers were encouraged to look out

for themselves only. The power transfer in 2000 and the probusiness turn of the DPP government left independent unionists in ideological disarray, thus making their previous anti-KMT identity outdated and unworkable.

The Possibility of Radical Class Politics

Rather than a simple model of unified class resistance based on unified class solidarity, as the classical Marxian perspective implies, we should be paying more attention to how different patterns of solidarity engender diversified forms of resistance as well as their mutual interactions. A disunited working class certainly cannot accomplish the historical mission of "winning a world," but they can nevertheless make their own history.

Although my observation concludes with the decline of Taiwan's state worker militancy, there is no a priori reason why the radical project of class politics is not possible from a historical institutionalist point of view. If there are institutions that fracture workers' solidarity, it is also possible to find a distributive rule that consolidates their collective interest as members of the same class. For instance, Bo Rothstein's (1992) discovery that the Ghent system, in which workers' welfare payments are administrated by labor unions rather than by a governmental agency, helps to maintain high union density is instructive here. As an institution, labor unions are accountable to their working class constituencies and the very knowledge of that leads to stronger organizational attachment from the rank-and-file members. In other words, contrary to the claims of culturalists, shared culture, discursive articulation, or narrative construction alone is not going to engender a robust class identity. Class politics emerge only when these ideational processes are embedded in the social settings and become palpable in workers' daily life.

Finally, in its Marxian origin, the question of working class formation is fundamentally an inquiry about the radical transformative project by working class. While most existing literature limits their investigation to the brief episodes of heightened class contention, my research design departs from this convention by taking Taiwan's entire postwar era into consideration. Similarly my survey only finds two interludes of radical class politics: revolutionary insurgency in the early-1950s and social movement unionism in the 1990s. Are we forced to accept the pessimistic conclusion that the emancipatory project by class is doomed to be transient and ineffective? True, the

working class only occasionally emerges as a historical agency for the reason that existing institutions are more often a fracturing rather than unifying force on their solidarity. Nevertheless, it is often in these short moments when workers are able to secure the institutional support and launch a potent challenge that capitalism is progressively humanized. The French workers' general strike in 1936 brought about paid vacations, and the American industrial union movement in the 1930s resulted in social legislation and the right of collective bargaining. Even though Taiwanese workers' clandestine insurgency in the 1950s was suppressed, social movement unionism four decades later gave rise to labor law reforms that benefited the whole working class in Taiwan. In short, radical class politics might be rare and intermittent, but with institutional conduciveness, it often emerges with everlasting legacies that empower working class.

Notes

Chapter 1

1. Burawoy (1985, 76n) purposively uses the term "adaptation" in the place where other researchers might use "resistance." He reasons that most workers fail to penetrate the capitalistic secret of "securing and obscuring the surplus value." However, surplus extraction is only one of many grievances that workers suffer from in their disadvantaged situation. Hence, I am willing to use a broader sense of "resistance."
2. Attempting to revise the obsolete distinction between class-in-itself and class-for-itself, Katznelson formulates four levels of class. They are economic structure, patterns of life, dispositions, and action. Nevertheless, he is not entirely free from the Marxian teleology. Katznelson (1986, 21) maintains, "Class formation has occurred only when class exists at four levels . . . simultaneously." What happens when the four levels are at disjuncture with one another? In that case, which is arguably more common, class formation is still happening, and workers are also engaged in collective action, albeit not in the fashion that Marx had expected.
3. Bowles and Gintis (1986) use the getting/becoming distinction to emphasize the novelty of "new social movements." Their conceptualization, in my opinion, is superior to the more well-known strategy/identity comparison (Cohen 1985). By singling out the identity dimension as the distinguishing feature, the latter fails to notice that all social movements, old and new, construct a new identity for the mobilization of their supporters (Calhoun 1993).

Chapter 2

1. Technically speaking, "state and public ownership" (*guogongying*) is the more appropriate term for Taiwan's SOEs since the narrow definition of "state ownership" refers to those enterprises managed by the central government while local governments, provincial or city, also have productive facilities. Most important economic units are owned by the central government, including the CCP and the TSC discussed in this book.

2. National Resources Commission, “A Statistic Monthly Report, December 1949” (file number 24-03-034-03). The Archives of the Institute of Modern History, Academia Sinica.
3. Citing an official document, Lin (1998) argues that Taiwan’s state workers made up 36% of the working population.
4. The author’s calculation of the data in Council for International Economic Cooperation and Development (1973, 178).
5. See http://www.dgbas.gov.tw/ct.asp?xItem=26269&CtNode=5389&mp=1 (accessed October 18, 2011).
6. National Resources Commission, “A Combined Report on the Performance of Production Enterprises by National Resources Commissions, the First Half of 1951” (file number 00006). The KMT Party History Archives.
7. See http://www.dgbas.gov.tw/ct.asp?xItem=26269&CtNode=5389&mp=1 (accessed October 18, 2011).
8. In fact, the March 1946 figure already reflected the postwar change, especially the influx of Mainlanders; however, it remains the closest one available to grasp the situation at the end of colonial rule.
9. This estimate was based on two sources that the author was able to obtain. First, there was an extant copy of the transfer inventory at the Talin Sugar Refinery (Supervisor of the Great Nippon Sugar-Making Company Talin Refinery 1946). That document contained a list of 528 employees, including their positions and salaries. The second source came from the Hsinying Sugar Refinery. There were statistics about the personnel structure as early as December 1945 (National Resources Commission 1947, 5). The ethnic ratios of Talin and Hsinying were very close, with an average of around 75 percent of the workforce being Taiwanese.
10. As a contrasting case of refusing to swallow the bitterness, Li Madou, a communist leader executed in 1953, had worked in a sugar refinery in Tainan [Tainan] in the 1920s. In his final confession, Li wrote that he had been forced to resign because he was so incensed by ethnic discrimination that he had been involved in a physical fight with a Japanese coworker (Ou 2008, 122).
11. *Changxun* [Factory Newsletter (of Kaohsiung Refinery)] (1973) 259: 5.
12. Zhou Hanqing, who served three years in prison for his involvement in the postwar communist movement, worked in the Kaohsiung Refinery in a staff position. On one occasion, all of the Japanese staff members were given new uniforms, and he was the only one not to receive one. Zhou was extremely unhappy about this flagrant discrimination (Taiwan Province History Commission 1998, 5, 58).

CHAPTER 3

1. A note on the term “Mainlander” is needed here. With cultural and political indigenization since the 1980s, there has been a tremendous change in national identity; therefore, the term “Taiwanese” now

includes the indigenous peoples and Mainlanders. In this book, however, I follow the earlier usage. "Mainlanders" means those who were born in China before migration to Taiwan after 1945, as well as later generations from these migrant families.

2. The following sections are reused and rearranged from Ho (2014).
3. Until the internal market reforms in the early 1960s, the postwar *zhiyuan* position corresponded to the Japanese *shokuin* [J], connoting those white-collar workers from top managers to bottom-level office clerks. They were mostly hired upon their educational credentials. Since the Chinese characters are the same, I continue to use "staff" in naming them.
4. Jin Kaiying, who oversaw the takeover of Kaohsiung Refinery and was later promoted to CPC general manager, was said to deliberately adopt a personnel policy that diversified the new hires in order to avoid factionalism (Feng 2000, 98–99). Evidently this claim was very questionable.
5. Cited from the National Resources Commission Economic Research Office, "A General Report of Survey on Taiwan's Industrial and Mining Enterprises (1946/2)," in Cross-Strait Publication and Exchange Center (2007, 79: 101).
6. Ibid., 103.
7. For example, a son of a National Taiwan University professor from the mainland was hired as deputy engineer (*fujishi*) by the TSC on the basis of his father's recommendation to the NRC. See "The TSC Letters on Appointment and Assignment of Staff (1946/5–1949/1)," in Cross-Strait Publication and Exchange Center (2007, 105: 305–12).
8. "The TSC First Meeting Proceedings (1946/6)," in Cross-Strait Publication and Exchange Center (2007, 111: 325–53).
9. In May 1946, the government issued the Taiwan Dollar to replace the old colonial currency. It lasted for three years until it was replaced by the New Taiwan Dollar (NTD).
10. In 1946, the official exchange rate was 1 Taiwan Dollar for 30 National Dollars, the currency circulating in mainland China.
11. "The TSC Documents Related to Staff Donations (1946/12–1948/9)," in Cross-Strait Publication and Exchange Center (2007, 158: 395–97).
12. Chen claimed innocence from communist activities in his 2005 memoir. But later on he acknowledged participation in the underground insurgency shortly before his death in 2010. I am grateful for Lin Chuan-kai for this information.
13. "The Telegraph of the TSC General Manager to the NRC (1947/3/3)," The Official Documents Concerning the TSC's Subsidiaries during the February 28 Incident (file number 228-B-5-2), The Archives of the Institute of Modern History, Academia Sinica.
14. Cross-Strait Publication and Exchange Center (2007, 79: 91).

15. "The TSC Documents Related to Staff Donations (1946/12–1948/9)," in Cross-Strait Publication and Exchange Center (2007, 158: 379–89).
16. *Taitang tongxun* [The TSC Communications] (1948) 2(6): 35.
17. "The Telegraph of the TSC General Manager Shen Zhennan to the NRC (1947/3/5)," The Official Documents Concerning the TSC's Subsidiaries during the February 28 Incident (file number 228-B-5-2), The Archives of the Institute of Modern History, Academia Sinica.
18. "Detailed Report on Dealing with the Incident from the Third Commanding Headquarters of the Navy" (file number 228-k-2-2), The Archives of the Institute of Modern History, Academia Sinica.
19. Voluntary acts by Taiwanese to limit ethnic violence and to shelter threatened Mainlanders were common during the February 28 Incident and were not limited to nationalized factories. It is true that individual motives might have varied from moral abhorrence against violence to rational calculation of the consequences. Moreover, the popular uprising lasted only a week—a short period that might have encouraged widespread fence-sitting behavior given that there was an inevitable logic of collective action among Taiwanese who would be likely to join the anti-regime camp only when there was a clear sign of victory. Therefore, there were necessary ambiguities concerning workers' militia in this confused period. That Taiwanese workers universally chose this option lent itself to multiple interpretations. It could be seen as their disapproval of ethnic violence, or their anticipation of postuprising repression, or even just their wait-and-see hesitation. It is very likely that the truth is forever buried in history. The author is thankful for Wu Nai-teh for this discussion.
20. According to Perry (2006), worker militias symbolized the idea of revolutionary citizenship in the Marxist tradition. Shanghai workers' armed struggles during the 1926–1967 and 1966–1967 conflicts were a concrete example. Taiwan's short-lived worker militia, however, did not originate from this great revolutionary lineage. It began as a wartime military drill under Japan colonialism and was revived during the chaotic postwar regime change. Moreover, the actions of the Taiwanese workers during the 1947 uprising were nothing more than attempts to shield their factories against outside violence—arguably a "counterrevolutionary" measure in a brewing revolutionary situation.
21. "The Nanching Refinery in the Taiwan Incident (1947/3)," The Official Documents Concerning the TSC Subsidiaries during the February 28 Incident (file number 228-M-5-2), The Archives of the Institute of Modern History, Academia Sinica.
22. Chen Ake's later flight to China was recounted by a former CPC employee, who was forced to leave after the February 28 Incident (Xu and Fang 1994, 2, 34).
23. This is based on a government file dated April 16, 1952, that contains the court-martial verdict and the presidential office's reply. The

author is able to access this file thanks to Lin Yi-hsuan, who has collected much relevant archival data that still remains classified.

24. Chen Yingtai, who joined a clandestine organization when working for the state-owned Bank of Taiwan, spent 12 years in prison. The majority of ex-activists, as he explained, were reluctant to acknowledge their involvement with the CCP after their release because the Chinese communist revolution turned out to be a political disaster, and more and more Taiwanese people came to embrace the indigenous identity. Ex-political prisoners and their families had to survive stigmatization and discrimination (Chen 2005, 2: 642). Consequently, they tended to emphasize that they were innocent victims of the KMT security apparatus (Chen 2009, 34–35).
25. Interviews with Chen Ruigeng, an ex–political prisoner, May 30, June 15, and September 7, 2009. The author is grateful to Lin Chuan-kei for the usage of this material.
26. Another irony was that Shen Zhennan was arrested by the security policemen he eagerly installed after the 1947 uprising. Shen later argued in court he was forced to write a confession while he was held in policemen's custody (Cheng 2008:2).
27. Figures from *Taitang tongxun* (1955) 16(1): 15, based on the author's calculation.
28. The KMT party branch worked to neutralize the protests of laid-off workers. See Nai Xu, "The Current Problems Existing in Industry," speech given at the KMT 8th Central Committee 396th Meeting (file number 8.3/513), The KMT Party History Archives.
29. *Tangye dangwu* [Sugar Industry Party Affairs] (1964) 6(12): 20.
30. *Taitang tongxun* (1964) 34(9): 14.
31. See the promulgation in *Changxun* (1975) 312: 4. The operative-to-staff rank promotion examinations, as chapter 4 will show, constituted a vital arena in the politics of position. Compared to the examination for regular operatives, that for ex-soldiers was easier because it did not require the endorsement of superiors. One interviewed worker asserted that the special promotion exams for ex-soldiers were a mere formality because cheating was tolerated.
32. See http://www.southnews.com.tw/polit/polit_00/polit_08/01059.htm (accessed November 8, 2011).
33. For the list of Kaohsiung Refinery directors and CPC presidents, see CPC (1993, 8–17; 2006, 34–44).
34. *Independent Morning Post*, June 1, 1993. The person who raised this accusation was Su Fangzhang, who served as the TPWU's general secretary in 1989 after it gained independence from the KMT.
35. It was the same for the state-owned Taiwan Machinery and Manufacturing Corporation. Only in 1988 did the SOE see its first Taiwanese general manager (Chen 2006, 117–18).
36. I suspect this privilege only included sons, but not daughters of the TSC workers because most of the SOE job opportunities were

restricted to male applicants. In addition, the prevalent patriarchal culture would have persuaded parents to pass the job to their sons instead of daughters. In my field study, I did not encounter a single female SOE employee who acknowledged that her family background facilitated her current position; this was not the case for male workers.

37. *Taitang tongxun* (1966) 38(6): 3.
38. *Taitang tongxun* (1964) 34(3): 1.

CHAPTER 4

1. This chapter is reused and rearranged from Ho (2007, 2010c), with permission from Cambridge University Press and Sage Publications.
2. *Taiwanqu chanye dangwu* [Taiwan Area Industrial Party Affairs] (1954) 1: 9–10.
3. "The TSC Correspondences Regarding the Hiring and Appointing of Staff (1946/5- 1949/1)," in Cross-Strait Publication and Exchange Center (2007, 105: 396–97).
4. "A Survey of Peikang [Beigang] Sugar Refinery (1946/12)," in Cross-Strait Publication and Exchange Center (2007, 159: 142).
5. *Taiwanqu chanye dangwu* (1958) 54: 15–17.
6. Nai Xu, "The Current Problems Existing in Industry," speech given at the KMT 8th Central Committee 396th Meeting (file number 8.3/513), The KMT Party History Archives.
7. A 1953 internal report submitted to the KMT Central Committee indicated that the management in major industries set up their own party organizations and thus created leadership confusion (KMT Central Committee Party History Commission 1998, 128).
8. *Taitang yewu gongbao* [The TSC Gazette] (1950) 3(8): 121.
9. *Taitang yewu gongbao* (1954) 7(23): 180.
10. *Taiwanqu chanye dangwu* (1954) 1: 32.
11. *Taitang tongxun* (1967) 41(13): 14–16.
12. *Taitang yewu gongbao* (1951) 4(13): 140.
13. *Taitang tongxun* (1959) 24(3): 4.
14. *Taitang tongxun* (1954) 15(17): 8.
15. *Taitang tongxun* (1955) 16(6): 11.
16. *Taitang tongxun* (1957) 20(1): 4.
17. *Taitang tongxun* (1959) 24(3): 3.
18. *Taitang tongxun* (1959) 24(12): 6.
19. *Taitang tongxun* (1962) 60(16): 4.
20. *Taitang tongxun* (1950) 6(10): 54.
21. *Taitang tongxun* (1960) 26(5): 7.
22. *Taitang tongxun* (1960) 26(16): 5.
23. *Taitang tongxun* (1965) 36(4): 45.
24. *Taitang tongxun* (1951) 9(12): 21.
25. *Taitang tongxun* (1953) 12(9): 18.

26. *Taitang tongxun* (1962) 30(3): 5.
27. *Taitang tongxun* (1959) 24(16): 7.
28. *Taitang tongxun* (1955) 16(15): 25.
29. *Taitang tongxun* (1957) 20(9): 2.
30. *Taitang tongxun* (1952) 10(5): 15.
31. *Taitang tongxun* (1961) 28(8): 6.
32. *Taitang tongxun* (1958) 22(10): 76.
33. *Taitang tongxun* (1950) 6(15): 51.
34. *Taitang tongxun* (1951) 9(14): 6.
35. *Lijin* (1953) 42:17.
36. Some analysts have made the mistake of looking only at the party membership data of the Taiwan Province Party Branch and neglecting the parallel special party branches, which included the SOEs, and thus erroneously argued that "by 1952 over half of the Kuomintang's members were Taiwanese" (Roy 2003, 81).
37. KMT Central Reorganization Committee, "The Proceedings of the 370th Meeting" (file number 6.4-2/38.10), The KMT Party History Archives.
38. KMT Central Standing Committee, "The Proceedings of the 7th Central Committee 62nd Meeting" (file number 7.4/851), The KMT Party History Archives.
39. KMT Central Standing Committee, "The Proceedings of the 7th Central Committee 57th Meeting" (file number 7.4/850), The KMT Party History Archives.
40. *Tangye dangwu* (1960) 19: 20.
41. *Tangye dangwu* (1965) 7(1): 7.
42. The party member statistics came from KMT Central Standing Committee, "The Proceedings of the 8th Central Committee 12th Meeting" (file number 8.4/357) and "The Proceedings of the 8th Central Committee 147th Meeting" (file number 8.4/369), The KMT Party History Archives. For the CPC workforce figures, I relied on the Legislative Yuan (1958, 281; 1961, 309).
43. *Lijin* (1954) 47: 5–6.
44. *Taiwanqu chanye dangwu* (1954) 10: 10.
45. KMT Central Standing Committee, "The Proceedings of the 7th Central Committee 238th Meeting" (file number 7.3/264), The KMT Party History Archives.
46. *Tangye dangwu* (1960) 22: 16.
47. *Tangye dangwu* (1961) 65: 17.
48. Labor unions in China were responsible for a number of welfare programs, but their involvement paled in comparison to Taiwan, whose unions, as the following section will show, operated many for-profit businesses, which constituted the source of union corruption.
49. *Shiyou laogong* [Petroleum Workers] (1999) 318: 39–40.
50. *Lijin* (1974) 341: 94.

51. "The TPWU 5th board of directors 13th Meeting (January 29, 1991)." The Proceedings of the TPWU 5th board of directors. The TPWU Archives.
52. Author's calculation of data based on "The TPWU 3rd Board of Standing Directors 15th Meeting (1983/12/12)," The Proceedings of the TPWU 3rd Board of Standing Directors, The TPWU Archives.
53. *Tanye dangwu* (1966) 8(15): 28.
54. *Lijin* (1968) 265: 8–10.
55. *Lijin* (1973) 324: 74–75.
56. For example, in the CPC Kaohsiung Refinery, retired workers who had been in the party for more than 25 years could receive a bonus of NTD 2,500. Party members' children who obtained college admission were given a scholarship of NTD 3,000 (CPC 1981, 476). KMT membership came with the duty to pay the monthly fee, which was automatically deducted from one's salary. But members were compensated with some gifts consisting of daily necessities (towels, toothpaste, etc.), distributed by the party branch annually.
57. *Taitang tongxun* (1959) 24(7): 3.
58. *Taitang tongxun* (1958) 22(1): 3.
59. In November 1972, the TPWU Local One held a meeting of union representatives. Each delegate was given a suitcase filled with snacks and fruits. *Lijin* (1972) 322: 75.
60. *Lijin* (1973) 398: 87.
61. *Tangye laogong baodao* [Report on Sugar Industry Workers] (1986) 115: 2.
62. Interview on August 6, 2010.
63. *Shiyou laogong* (1993): 116.
64. "The TPWU 4th Board of Standing Directors 16th Meeting (1987/7/10)," The Proceedings of the TPWU Board of Directors (1986–88), The TPWU Archives.
65. "The TPWU 5th Board of Directors 3rd Meeting (1988/9/16)," The Proceedings of the TPWU 5th Board of Directors (1988), The TPWU Archives.
66. *Taitang yewu gongbao* (1957) 12(59): 398.
67. *Taitang yewu gongbao* (1956) 10(101): 897.
68. *Taitang tongxun* (1959) 24(2): 23.
69. Interview on November 8, 2002.
70. Cited from *Shiyou laogong* (1990): 10–11.
71. *Taitang tongxun* (1958) 22(5): 8.
72. Many of the CPC workers I interviewed argued that senior foremen who were educated by the Japanese possessed incorruptible integrity. They were strict in work demands and did not countenance favoritism, while these virtues were lost in the younger generation of workers. My interviewees attributed the differences in character to educational background. Nevertheless, my argument points to the environmental change brought about by the KMT's Leninism. Only

in the later 1950s did most Taiwanese workers come to experience the temptation of party-state patronage in which they were given the choice to trade their personal loyalty for career benefits.

CHAPTER 5

1. *Ziyou zhongguo* [Free China] (1951) 4(6): 194.
2. *Ziyou zhongguo* (1952) 7(11): 339.
3. *Ziyou zhongguo* (1950) 2(9): 307.
4. *Ziyou zhongguo* (1950) 15(8): 638.
5. The "position classification" is the official designation for this reform, and yet the name is easily confused with the "classification position," the formal appellation for staff under the new system. Hereafter, I will refrain from using "position classification" when possible.
6. *Tangye dangwu* (1960) 34: 7.
7. *Tangye dangwu* (1960) 34: 3.
8. In a 1966 meeting, a head party commissioner lauded the "self-sacrificing efforts" among party cadres because they were determined to play the role models, rather than struggling for more favorable positions for themselves. However, this assertion simply flew in the face of the available data. "The Proceedings of the KMT Taiwan Area Industrial Party Branch 1st Division 9th Meeting of Representatives (1966/8)" (file number MD010199), The Shanhua Refinery Archives.
9. *Changxun* (1976) 324: 4.
10. "Statistics of Evaluation Staff in the Huwei General Refinery (1967/11)," The Archives of Institute of Cultural Heritage Conservation, National Yunlin University of Science and Technology.
11. *Taitang tongxun* (1964) 34(9): 14.
12. *Shiyou laogong* (1989), 14.
13. *Changxun* (1963) 20: 2.
14. *Changxun* (1963) 17: 2.
15. "Statistics of Evaluation Positions in the Huwei General Refinery (1968/11)," The Archives of Institute of Cultural Heritage Conservation, National Yunlin University of Science and Technology.
16. *Changxun* (1963) 21: 1.
17. *Taitang tongxun* (1964) 34(9): 14.
18. *Taitang tongxun* (1961) 28(1): 7.
19. *Tangye dangwu* (1961) 53: 17; (1964) 6(3): 20.
20. *Lijin* (1961) 185: 63.
21. *Changxun* (1963) 17: 1.
22. *Changxun* (1973) 269: 2.
23. There was a 1991 film, *The Last Narrow-Gauge Train* (*zuihou de xiaohuoche*), that depicted the early life among sugar refinery workers. The plot focused on a frustrated operative who failed to get

promotion and hence kept reminding his son Chunming to study hard. In one episode, Chunming played a practical joke on his classmate, which resulted in her punishment by the schoolteacher. As it turned out, Chunming's victim was the daughter of a subsection chief who supervised Chunming's father. To apologize for this mistake, the panic-stricken father had to beat Chunming savagely in front of the subsection chief and the teacher. The movie had a happy ending. Upon realizing his father's humiliation, the naughty son eventually forged a successful career by studying hard—a highly enviable dream for many of Taiwan's SOE operatives.

24. In addition to the class implication, baseball was held in low esteem among elite Mainlanders because its origin in Japanese colonialism and popularity among Taiwanese, at least prior to the 1970s (Morris 2011).
25. *Changxun* (1973) 257: 2; (1974) 292: 4; (1977) 361: 3.
26. *Lijin* (1975) 347–48: 85.
27. *Taitang tongxun* (1961) 28(1): 7–12.
28. Interview on May 4, 2007.

Chapter 6

1. United Nations General Assembly Resolution 2758 (Oct. 15, 1971), http://en.wikipedia.org/wiki/United_Nations_General_Assembly_Resolution_2758 (accessed on February 11, 2014).
2. *Laodongzhe* [Laborer] (1987) 13: 6.
3. *Lijin* (1973) 330: 68.
4. *Taitang tongxun* (1959) 25(8): 9.
5. *Tangye dangwu* (1963) 5(8): 16.
6. The FIUTSC (1975), *Tanglian ershinian* [The Twenty Years of FIUTSC] (file number MD010040), The Shanhua Refinery Archives.
7. *Taitang tongxun* (1962) 31(5): 15.
8. *Taitang tongxun* (1970) 46(10): 31.
9. Interview on February 10, 2003. I had a 30-minute chat with this worker during his official working hour in the CPC Kaohsiung Refinery—an indication that he continued to find ways to dodge formal work for personal purposes.
10. *Minzhong Daily*, July 13, 1980, 2.
11. It is tempting to describe Taiwanese state workers' moonlighting as a "second economy" in light of the Hungarian experience. But the analogy is not entirely appropriate. While Hungarian workers' second-economy activities initiated the postsocialist transition, when Taiwanese workers began to take additional jobs, there was already a booming private sector. Thus, the Taiwanese case had a much smaller impact upon the nation's macroeconomy, but a greater impact on intrafirm power relations.

12. See note 10.
13. The following sections are reused from Ho (2012), with the permission from Cambridge University Press.
14. In 1983, for example, the TSC assigned 17 full-time staff to its employee relations committee, whereas the FIUTSC only had 13 officers then. "The Proceedings of the Employee Relations Committee (1983/10/1)," The Shanhua Refinery Archives.
15. *Taitang tongxun* (1965) 37(2): 4.
16. The FIUTSC (1975), "The Twenty Years of FIUTSC" (file number MD010040), The Shanhua Refinery Archives.
17. For instance, a motion was passed to make a formal recommendation to the government to incorporate a clinic operated by the son of a retired member into the scheme of labor insurance. "The TPWU 3rd Board of Standing Directors 20th Meeting (1984/5/25)," The Proceedings of the TPWU 3rd Board of Standing Directors (1982–84), The TPWU Archives.
18. My reviewer suggests "selective bargaining" is a less evaluative alternative for "petty bargaining." True, the emergence of the bargaining function of labor unions was a great advance in this period. But as the following sections will show, union bargaining in this period was a fracturing force that engendered competitive claims among different categories of workers.
19. *Shiyou laogong* (1990), 16.
20. *Shiyou laogong* (1987), 6–8.
21. *Shiyou laogong* (1986), 2.
22. Yang applied for reinstallation of his CPC position in 1996, when the government had already rehabilitated ex-political prisoners. Yang lived in Taipei after his release; consequently he did not work in the Kaohsiung Refinery again. He retired a year later.
23. *Shiyou laogong* (1993), 12.

CHAPTER 7

1. *Laogong xingzheng zazhi* [Journal of Labor Administration] (1989) 13: 3.
2. Moody (1997, 218) notes that Taiwan's case shares some similarities with other cases of social-movement unionism, except that state-corporatist control remained stronger.
3. The CLA's statistics: see http://readopac.ncl.edu.tw/cgi/stat/login (accessed December 31, 2002).
4. Chen Xiqi made an unsuccessful comeback in the 1989 legislative election. Three years later, he failed to obtain the KMT nomination and left politics until 2003. During the DPP government, Chen became a Chen Shui-bian supporter by serving as his presidential advisor (2003–06). During my interview, he revealed few clues to his political

about-face. Symptomatically, that the DPP was willing to collaborate with an ex-KMT conservative unionist demonstrated its estranged relations with the labor movement after it became the ruling party.

5. The data is based in the Central Election Commission (1990).
6. *Minzhong Daily*, December 18, 1992.
7. Legally speaking, compulsory membership is akin to the American "union shop" practice (Fantasia and Voss 2004, 189n31). However, in reality, the regulation was not strictly enforced. A 2005 CLA study found that only 58.2 percent of the surveyed unions abided by this principle (Chiu 2011b, 98).
8. *Economic Daily*, May 28, 1993, 9.
9. *United Daily*, July 19, 1988, 3.
10. *Shiyou laogong* (1993) 308: 10.
11. *Tangye laogong baodao* (1988) 141: 4.
12. *Shiyou laogong* (1990), 5.
13. *Tangye laogong baodao* (1988) 141: 4; (1989) 149: 1.
14. *Shiyou laogong* (1995), 61.
15. *United Daily*, December 30, 1999, 8.
16. Interview on February 12, 2003.
17. *Laodongzhe* (1994) 71: 28.
18. *Shiyou laogong* (1996), 12–13.
19. TSC Personnel Department (1957), The Archives of the Institute of Cultural Heritage Conservation, National Yunlin University of Science and Technology.
20. The author's calculation based on the TPWU Local One data.
21. Most of the existing studies on Taiwan's SOE workers' activism have adopted the single-case research design, and none of them have focused on the nature of social ties and its relevance for workers' mobilization (See Huang [1991], Wu [1997], Ho [2003] on the CPC, Lin [1998] on the Taiwan Power Company workers, Cheng [1998] on the telecom workers, and Fan [1991] on the Taiwan Busing Company workers). The ecological explanation I advance there remains a research hypothesis to be tested by further studies.
22. Prior to the revision of the Labor Union Law in 2011, the government recognized only two types of union. Workers in a workplace exceeding 30 employees were allowed to organize "industrial unions" (*chanye gonghui*). Workers in smaller workplaces or those self-employed could organize an "occupational union" (*zhiye gonghui*). Both the TPWU and the FIUTSC were industrial unions. Since most occupational unions were headed by small businesspersons and members usually only joined the union for the sake of labor insurance, they rarely engaged in collective action and stayed outside of the labor movement. After 2011, the industrial unions were rechristened as "enterprise unions" (*qiye gonghui*), and the original term was reserved

for unions that covered workers within the same trade. I retain the older classification here.

23. See the CLA labor statistics, http://163.29.140.81/html/htm/33010.csv (accessed October 8, 2006) and http://www.cla.gov.tw/cgi-bin/siteMaker/SM_theme?page=450f92d3 (accessed April 6, 2012).
24. In addition to its organizational weakness, the TCTU never enjoyed an institutional linkage with the DPP so that its political influences were limited even during the DPP government. As said above, Taiwan's independent labor movement was anti-KMT, but not necessarily pro-DPP. In the late 1980s, there had been other opposition parties that contended for workers' allegiance. Here Taiwan's social-movement unionism deviated from the cases of Brazil, where the Central Única dos Trabalhadores formed the backbone of the Partido dos Trabalhardores (Workers' Party) (Alexander 2003, 184), and South Africa, where the Congress of South African Trade Unions was essentially the industrial arm of the African National Congress (Adler and Webster 1995).
25. *Shiyou laogong* (1998) 306: 9.
26. *China Times*, August 21, 2002, 1.

Chapter 8

1. One might say such extreme neocolonial rule rendered ethnicity akin to "caste" or "class" for the unbridgeable divide. But it was not based on the ownership of productive means, and therefore, should be not viewed as "class relation."

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