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## **Incorporating Foreign Domestic Workers as Providers of Family Care: Case Studies of Hong Kong, Taiwan and Singapore**

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### **Introduction**

Focusing on policies relating to the over 700,000 foreign domestic workers in East Asia, this chapter examines how these foreign domestic workers are incorporated within labor and welfare policies as providers of family care. If we were to understand foreign domestic workers as providers of welfare services, then how would we view people of this kind under theories of welfare regimes? Strictly speaking, while the development of welfare states has been oriented towards decommodification and degenderization, it has also strengthened nation states. This was because the receipt of welfare services required clear membership and management. “Foreigners” do not possess citizenship, which means that they are excluded from receipt of these services and are positioned outside the scope of membership. Therefore, they have been left out of this field of research. However, as discussed in this chapter, foreign domestic workers and welfare providers in East Asia have played an important role in the process of industrialization.

A number of studies have concentrated on the typification of welfare states in East Asia. These studies focused on how Asian countries have been recognized in welfare state typologies and or welfare regime theory since Esping-Andersen (2001). Broadly

speaking, East Asia has been linked with immature social security systems and has been understood in terms of familism. Here, precedence has been given to theories of statehood centered on “Confucian welfare” or economic growth, with research pointing to such things as theories of development-oriented nations and productivism in which development itself is equated with welfare. Takegawa (Takegawa Vol. 2, 2006) suggests that East Asian regimes do not hold such concepts as social democracy, conservatism or liberalism, and instead have a kind of welfare orientalism. We believe this sort of thought could partially stem from theories of statehood centered on “Confucian welfare”. This is believed to be due to monolithic understandings resulting from a lack of understanding of East Asia. Likewise, the major trends of developmental dictatorships from authoritarian regimes or government-driven industrialization are also commonalities in East Asia that have been difficult to comprehend under typologies. If theories of development-oriented nations and productivism as common aspects of social policy in East Asia (Holliday and Wilding (ed.) 2007; Osawa (ed.) 2004) take welfare production as the premise of the economic infrastructure, i.e., employment and economic growth, then the issue may only be the

differences found between the regimes. However, welfare regimes that rely on economic growth tend to prefer a small role of government and relativize welfare states in the sense of latecomers in economic development. This means we cannot simply comprehend East Asian welfare regimes merely through theories of stages. The focus here is the roles of the family in providing welfare and patterns that utilize traditional familial models.

As indicated by the “East Asian welfare state model” (which includes Japan), it has been suggested that Asia has common characteristics. This is a familism of the kinds highlighted by Andersen. In subsequent research on Asia, Chin (ed.) (2007) highlighted familism shared in common throughout East Asia in respect to normative and institutional aspects. This is also true for welfare states based on the principle of development in which economic development has a tendency to substitute welfare. In such cases, in addition to raising incomes, the active enticement of foreign capital has achieved a situation of almost complete employment through this substitution (Osawa 2004). Thus, we cannot say that social security spending resulting from economic growth has tended to increase (Midgley 1986), having manifested as a low level of expenditure relating to social security spending (Chua 2007). Young population compositions are perhaps one of the factors behind this.

By the 1990s, however, changes to this had already begun to become evident. For example, according to Hirosue (2006), movements for democratization, interest in safety nets arising from the 1997 Asia economic

crisis, and interest in welfare states as a result of rapid changes to population compositions all emerged during this period. It is certainly the case that in Taiwan, South Korea, Hong Kong and Thailand that the roles of governments in respect to medical care, pensions and income security increased greatly. South Korea established the framework for a welfare state through the creation of a nursing care insurance system. In Taiwan, the rate of social security spending had greatly increased despite criticism that it is patchwork and lacks consistency. Meanwhile, Singapore has seen the appearance of a range of benefits. As these countries are experiencing a more rapidly aging population than Japan, it is undeniable that they have been dealing with these issues with a sense of crisis (for example, *The Economist* 2012). However, it is not necessarily the case that this fact in itself has changed the roles of governments. Although Taiwan, Singapore and Hong Kong have a common aging population rate of 10%, we see major differences in government expenditure on social security spending, from 25% in Taiwan to 4% in Singapore (Fig. 1). This does not mean that these countries are proceeding in a unilinear direction toward becoming welfare states as a result of changes to population compositions. Furthermore, this does not suggest that East Asia as a whole is converging to become welfare states.

One of the factors behind this is global economic competition. Small government orientation for strengthening economic competitiveness is a key issue of economic policy and serves as a deterrent over increases in social security spending, while observing trends

in developed nations such as Japan. In this sense, we can say that a fundamental stance, in which economic policies are prioritized over social security policies, continues to this day<sup>1</sup>.

Having said this, with rapidly aging populations, poverty and inequality increasingly becoming social issues, increases in social security spending are now also taking place in East Asia (Lin et al. 2007; Ngan 2007). However, the provision of cash and services are residual in principle, with lagging social security policies not supplanting Confucianism or traditional norms but position as important sources of care provision that make use of the family as a resource. The various subsidizing policies that seek to promote this utilization of the family could be called “familization” in the sense that governments are employing traditional norms in a strategic manner (cf. Devasahayam 2003; Asato 2009; Asato 2010). By maintaining the role of providing welfare to families, we can say that the role of governments has remained small (Low 2006). In Japan, which has already experienced the socialization of care, it has been indicated that it is impossible to desocialize care due to the presence of financial problems (Ueno and Tateiwa 2009). However, other countries in East Asia have yet to undergo the process of the socialization of care, and their experiences significantly differ from those of Japan and Northern Europe (which have already taken the

path of familization). In other words, familization that has not undergone defamilization differs from the process of the refamilization from defamilization experienced by Japan.

Rephrased in terms of Andersen’s theory of welfare regimes, among the three main players involved in the provision of welfare – family, government and markets – familization indicates a relatively high degree of reliance on the family. Moreover, the intention behind familization policies include the following: to adopt policies that promote familization through governments establishing preferential tax treatment and support for elderly parents; to support cohabitation with elderly parents or residence in close proximity; and to offer employment permits for domestic workers in order to promote familization. Although governments play a large role in respect to the strength of intervention in families, a characteristic of this is that their role in terms of the provision of cash or services is small. As stated previously, while in this instance social security spending is small compared with government expenditure, it by no means constitutes non-intervention but is characterized by indirect support for the provision of welfare by families from an institutional aspect.

Among these familization policies, it is employment permits for foreign domestic workers that have the biggest impact in terms of the securement of caregivers. Care is labor intensive, and while the securement of caregivers is an important consideration when providing care, a characteristic of the cases examined in this chapter of Taiwan, Singapore

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<sup>1</sup> Examples of this include the EPA between the EU and South Korea, between the US and South Korea, and between the EU and Singapore. According to the EU ambassador to Japan, while concluding an EPA with South Korea is not easy, it differs greatly from the passive stance of Japan (From an interview with the EU ambassador to Japan, May 22, 2010).

and Hong Kong is that they have all been relying on human resources from overseas to fulfill their need for caregivers. While it was originally the case that domestic workers were introduced during the course of industrialization in order to secure a female workforce, in recent years there has been an increasing demand for old age care, which has led to a trend of hiring domestic workers. This transition to old age care for the purpose of supporting the feminization of the workforce suggests that the policy of introducing foreign domestic workers itself has come to function not only as labor policy but also as welfare policy. At first there was also the influence of policies leaning towards development; thus, the introduction of domestic workers did not contain welfare policy-like nuances. However, the policy gradually gained strong overtones of introducing domestic workers as a form of welfare policy. Taiwan is a striking example of this, where the hiring of foreign domestic workers is in principle only approved for households with members who are dependent on care. Furthermore, in Singapore, a system of preferential tax treatment has been put in place for hiring domestic workers, which applies to households with elderly members 65 or older. These kinds of examples clearly differ from traditional employment policies for women. Thus, the following phenomena can all be found among these East Asian countries: a large number of foreign domestic workers, support for the continued employment of women, and the securement of family care providers.

This chapter does not necessarily seek to focus on welfare regime theory. The existence of foreign domestic workers suggests the

formation of a common labor policy, immigration policy and alternative welfare policy in East Asia (Taiwan, Singapore and Hong Kong). However, this chapter does not focus on the nature of welfare provision in its entirety. Focusing on foreign domestic workers would do nothing more than highlight the extent to which family care relies on domestic workers. In other words, family care would not materialize without foreign domestic workers.

There are currently in excess of 70,000 foreign domestic workers in the three regions of Taiwan, Singapore and Hong Kong alone, and this fact is proof of this (Fig. 2). While not examined in this chapter, there are also many domestic workers in South Korea. In addition to ethnic Koreans in China (*Choxianzu* 朝鮮族) are being hired as domestic workers or hospital attendants and Korean women work as part time domestic workers (Lee, 2005). Thus, we can say that Japan is the exception in East Asia and that it differs from other countries in that it has experienced “defamilization” (Asato 2010a, 2010b; Kuba (ed.) 2007; Sato (ed. 2010).

Foreign domestic workers were originally introduced into these areas to encourage women to work and not to deal with care of the elderly. Since the 1970s in Hong Kong and Singapore and 1992 in Taiwan, jurisdiction has been under the respective labor ministries of each country in all cases. The positioning of domestic workers (which initially was as part of labor policies) has in recent years come to gradually take on connotations of social welfare policy due to the trends of increasingly aging populations and family care. It is with this in mind that this chapter seeks to focus on

foreign domestic workers as substitutes for family care based on familism in an attempt to investigate how foreign domestic workers are included within family care from the perspective of policy. Specifically, it will investigate how foreign domestic workers have been incorporated within care supply systems through an examination of the following topics: aims of policies seeking to introduce domestic workers, hiring requirements, dealing with sections of society that need welfare services including those in the low income bracket, taxation systems, such as employment taxes, coping with the logic and friction created by the notion of the sovereignty of the people in respect to employment, and problems relating to the skills needed to deal with elderly care.

### **Familism in Asia**

The countries and regions examined in this chapter have the following factors in common: limited workforce, orientation towards the principle of development, residual welfare (economic matters being prioritized over welfare), and rapidly aging populations. This chapter examines how foreign domestic workers have been included under these conditions in an attempt to compensate for shortages in care providers as we see more women join the workforce and aging populations increase.

Discussing welfare regimes from the perspective of foreign domestic workers is not an easy matter. This is because the amount of accessible data is limited. Singapore and Hong Kong have not even made data on foreign domestic worker numbers sufficiently available.

Regardless of the major role they play as care providers, foreign domestic workers are under the jurisdiction of labor ministries. Therefore, foreign domestic workers rarely appear in welfare statistics. This chapter represents an attempt to overcome these difficulties and summarize a range of disparate sources in one place, such as academic papers, unpublished materials, newspaper archives, and interviews with competent authorities and NGOs. The follow sections examine Taiwan, Hong Kong and Singapore in turn.

### **1-1 – Taiwan**

The characteristics of policies for accepting foreign domestic workers in Taiwan are such that permission for employment is issued in order to meet demands for at-home care for the elderly. The Taiwanese government began to introduce domestic workers in 1992. Initially, the intent behind this was not elderly care but the encouragement women to enter the workforce and for the day care of children. Since their introduction, the number of domestic workers has grown consistently despite the following factors: strong opposition to the introduction of foreign domestic workers in a survey conducted prior to this (Council of Labor Affairs 1991b)<sup>2</sup>, the Asian economic crisis of

<sup>2</sup> According to a public opinion poll, 15.5% of people were in favor of introduction, with around 46.1% opposed to it. The reason for this is because people felt that foreign domestic workers would not be suited to Taiwanese households, or that they would have difficulty in communicating with them due to language barriers. However, at the time there were still 33,000 Taiwanese domestic workers, and we need to be aware of the fact that domestic

1997, and the economic crisis after 2008. In Taiwan, the conditions under which foreign domestic workers may obtain an employment permit are strict compared with Hong Kong or Singapore<sup>3</sup>. The employment permit system is built on the premise of labor market tests, with the requirements being that positions cannot be filled by Taiwanese laborers and that the disabilities of the person in need of care are severe or above<sup>4</sup>. There are around 1,100,436 disability certificate holders in Taiwan (as of December 2011). Among these, 316,000 are classified as severe or above, the hiring requirement for employing domestic workers<sup>5</sup>. As of the end of 2011, the number of foreign domestic workers stood at 198,000. Based on that figure, we can deduce that 63% of households with members dependent on care whose condition in severe or above employ foreign domestic workers, thus showing that they are playing an important role in caring for the elderly and handicapped.

Taiwan did not initially implement this system of acceptance centering on elderly care. To start with, the acceptance of domestic workers took the form of a quota system, which set out limits for the maximum number of people that would be accepted. In 1995, domestic workers were subdivided into categories, whereby domestic workers started being accepted for the purpose of “care” (at

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workers had existed in Taiwan throughout history.

<sup>3</sup> See Council of Labor Affairs (2009a) for the basic policies.

<sup>4</sup> This is roughly equivalent to Japan’s nursing care level 4.

<sup>5</sup> Ministry of the Interior (2012) Accessible at the following link:

home care workers termed “nursing workers”; hereafter care workers), thus giving rise to two categories created to refer to at-home workers and care workers (nursing workers). Taiwan was the first region to create and institutionally accept the latter category. Furthermore, Taiwan gradually specialized its care system according to these new categories. Employment tax for domestic helpers gradually became higher and the conditions for hiring them stricter. At present, there are only around 2,000 people hired under this category by foreign nationals or wealthy Taiwanese. On the other hand, no quotas have been set for care workers (nursing workers). Yet, since the level of nursing care requirements of those in need of care was one of the main hiring requirements for this category, Taiwan’s increasingly aging population has fuelled increases in the number of foreign workers.

It is this institutional enticement toward elderly and disabled care that characterizes Taiwan and that led to the introduction of labor market tests so as to deal with issue of competition with Taiwanese care workers. This is a system that was created with the aim of solving the issue of competition from the principle of the sovereignty of the people. Applicants for employment permits must first advertise for a Taiwanese domestic worker. In cases where they cannot reach an agreement with a Taiwanese domestic worker, they may then advertise for a foreign domestic worker. However, there are big differences in wages and working conditions for foreign workers and Taiwanese workers, with the pay of Taiwanese care workers set at 2,000 New Taiwan dollars

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<http://www.moi.gov.tw/stat/index.aspx>



(NTD) a day, or 60,000 NTD a month. This is three times as much as what foreign workers receive. However, unlike foreign workers, the duties of Taiwanese care workers do not extend to all aspects of domestic labor, including children's daycare. Usually, their jobs consist of specialized work in the field of elderly care at hospitals or care facilities, with the hiring of Taiwanese at-home care workers not very common.

Thus, when seeking to entrust all aspects of household work within the home to an external party, people often choose a foreign worker. In cases where people hire a care worker to care for their parents at home, they usually hire a foreign worker. In cases where an elderly person who lives alone hires a domestic worker, or in cases where hospitals or care facilities hire a care worker, they usually hire Taiwanese workers (Ministry of the Interior 2004, 2006). The above-mentioned differences in wages and duties have led the labor market to become segmented, meaning that labor market tests are not necessarily valid. In response to impediments that have been created in hiring Taiwanese workers as a result of these wage differences, the government provided a monthly subsidy of 10,000 NTD a month for the first 6 months of employment to those households hiring a Taiwanese domestic worker in 2003. Even with this subsidy, however, the differences in wages are still high, thus creating a bottleneck in efforts to encourage people to hire Taiwanese care workers.

While the number of foreign workers working in at-home care continues to increase, the government led by Shui-bian Chen 陳水扁,

which came to power in 2000, pledged to reduce overall numbers of foreign workers as part of its employment policies. In particular, the number of foreign workers working in manufacturing decreased temporarily as a result of government limitations (Fig. 3). Likewise, the number of foreign workers in manufacturing decreased temporarily as a result of the U.S. financial crisis. On the other hand, the number of at-home foreign workers continued to increase. At present, there are 200,000 foreign care workers and 2,000 domestic workers working in the fields of elderly and disabled care (as of February 2012). Thus, the case of Taiwan shows that the government has recognized the issue of the country's increasingly aging populations and has taken early steps to try and deal with this through institutional enticement in the form of employment permits for foreign care workers.

In order to receive an employment permit for a foreign care worker, those in need of care require a medical certificate from a doctor proving that their condition is categorized as serious or above. However, as the conditions for hiring foreign domestic workers become stricter, a number of cases have come to light in which forged medical certificates have been used to acquire employment permits for foreign care workers. In July 2001, the government established punitive laws in respect to forged documents. Following this, the Council of Labor Affairs employed a team of 115 members to check through medical certificates, as a result of which it is estimated that out of 110,000 care workers, over 20,000 had used forged medical certificates (July 30, TT2002). It was reported that not only were doctors involved in the

creation of these medical certificates but also antisocial forces with a single person's certificate being sold for 20,000 dollars (January 13, TT2003). In order to solve this problem of forged documents, the government established a labor market for care, and implemented a labor market test as a requirement for issuing employment permits, following the example already in practice in manufacturing and other industries. This is because the government felt it would prove useful in encouraging people to hire Taiwanese care workers. Assessments for gauging the nursing care level of people were now carried out only by government-appointed hospitals. A matching service run by the government agency, *Changqi zhao gu zhongxin* (Long Term Care Center 長期照顧中心) now meant that applicants were matched with a Taiwanese care worker, with the rules being such that applicants could only advertise for a foreign care worker in the event that matching was unsuccessful (Foreign Workers Employment Permission Control Clause 2). The Council of Labor Affairs estimates that these results helped around 5% reduction in the creation of forged documents and improper employment<sup>6</sup> – i.e. work being carried out at locations other than the ones specified in applications. Furthermore, as a result of the in-house care service system that commenced in the 2000s, those in need of care were able to receive in-house care from Taiwanese home helpers according to their nursing care level and financial circumstances. However, limitations on the use of public services were placed on those

<sup>6</sup> From an interview with the Council of Labor Affairs Vocational Training Bureau (February

employing foreign care workers. In other words, through the adoption of employment restrictions for foreign workers that prevented fraud along with restrictions in the use of public services for those hiring foreign workers, the principle of the sovereignty of the people was forced aside in favor of a system that encouraged people to hire domestic workers. However, given the fact that the number of foreign domestic workers has been increasing, we can say that these initiatives have not been effective so far.

Given that many foreign workers have experienced human rights violations when providing at-home care, the Council of Labor Affairs (which has jurisdiction over this area) has also proposed employing foreign nationals in community care rather than at-home care<sup>7</sup>. At the same time, the Ministry of the Interior continues to discuss the introduction of a care insurance system, with the situation surrounding foreign domestic workers anticipated to play a large part in defining the future of Taiwan's welfare system. As stated previously, however, foreign care workers have already been broadly accepted within the system and it is a fact that at-home care is being sustained by them. Thus, some opine that it would be difficult to change the current system<sup>8</sup>. In order to make it easier for even low-income households to hire a

2008).

<sup>7</sup> From an interview with the Council of Labor Affairs Vocational Training Bureau (June 2010).

<sup>8</sup> From an interview with the Council of Labor Affairs Vocational Training Bureau (June 2010). While a variety of different opinions exist within this bureau, there is a clear awareness of the situation that foreign care workers continue to be included in welfare policies rather than labor policies as was initially the case.

foreign care worker, the Council of Labor Affairs has introduced a system of tax reductions/exemptions for employment taxes. There are currently 8,400 hired foreign care workers under this system. In order to reduce employment costs, this system of tax reductions/exemptions has expanded the scale of hiring a foreign care worker to those in low-income brackets. The implication of this as an item of welfare policy is that it is geared towards putting in place a labor market in which the role of the government is not the provision of services but the procurement of cheap labor from the international labor market. We need to be aware of the fact that the provision of cheap services through the development of this kind of labor market does not promise any improved system in which people receive services as their universal rights. According to the Council of Labor Affairs, whether or not it is possible to curtail the employment of foreign workers is up to the Ministry of the Interior, which is in charge of welfare policies<sup>9</sup>.

#### **Debates surrounding Vulnerability and the Quality of Care**

A characteristic of elderly care in Taiwan is that the employment of foreign care workers makes up an overwhelming majority of all care workers. This is due to its compliance with the traditional Taiwanese family care model. In other words, in a public opinion poll taken prior to the introduction of foreign care workers, many people were against what they saw as

externalization within the family. Given how the number of foreign care workers increased to 200,000 people following introduction, we can say that they received a favorable reception among Taiwanese people. In a survey conducted by the Taiwanese Government, Council of Labor Affairs (2009b), 92% of people stated the advantage of hiring foreign domestic workers as being the securement of care, followed by 64% people who stated the alleviation of psychological burdens. In other words, what this means is a lack of family caregivers and the existence of psychological burdens in respect to the care of elderly parents. Therefore, as Lan (2006) points out, the hiring of foreign care workers serves as “the grounds for subcontracting filial piety” (Lan 2006), and is a permissible means for externalizing care that falls within the scope of normative acceptability. Another benefit of hiring of foreign nationals relates to the encouragement of women into the workplace. According to this same survey, 54% of people said that an advantage of hiring foreign nationals is that it makes it possible for women to work. In terms of overall employment numbers, this percentage equates to 85,200 people, or 1.8% of Taiwan’s female labor force. In other words, we can suppose that the hiring of foreign care workers has led to a 1.8% rise in the labor force participation rate among women. Looking at this by age, 2.7% were in their 20s, 3.0% in their 30s, 0.7% in their 40s, and 0.03% in their 50s or above, suggesting that younger generations in particular are contributing to this increased labor force<sup>10</sup>. The enhancement of

<sup>9</sup> From an interview with the Council of Labor Affairs Vocational Training Bureau (June 2010).

<sup>10</sup> Applying this rate of contribution to the workforce to Singapore or Hong Kong, we see a

working conditions, looking at a breakdown of the different intermediary costs that migrant workers have to pay prior to their arrival in Taiwan. We see that much of their funds are allotted to the payment of such things as brokerage fees, bank charges and interest (accounting for over 50% of their costs). The level of fees in particular is high, with a predisposition to high costs surrounding financial institutions involved in intermediary services. With the exception of these fees, the next biggest expense for migrant workers are costs involved in training and lodgings (Table 7-2), accounting for around 50% of their costs. As far as can be said from interviews, the period of training and residence for applicants in Indonesia is three months. Although they receive on-the-job training etc. prior to their departure for Taiwan, in reality they have very few opportunities to receive care training. It has become normal for intermediaries to dispatch domestic workers to contracted families with no compensation under the pretext of training. In many cases, the content of this training is far removed from that specified by the Taiwanese government. This structure that sees workers fall deeply into debt establish conditions that allow foreign domestic workers to be bound to contracts lasting several years, which forms one aspect of their inclusion into Taiwanese society.

### **Socialized Care and the Position of Foreign Workers**

The 2000s saw care policies become the subject of much focus. In 2001, a plan for developing the care services industry was drawn

up. Centering on the Ministry of the Interior and Economy Construction Committee a number of bodies were involved in the planning and implementation of this, including Ministry of the Interior, Ministry of Economic Affairs, Department of Health (or Ministry of Welfare as referred to in Japan), agriculture ministries, The Council of Indigenous Peoples, The Veterans Affairs Commission and The Council of Labor Affairs. The Council of Labor Affairs was responsible for planning training for Taiwanese care workers while revising the position of foreign care workers.

A series of other plans were also developed, including the development of qualification system that certifies qualifications for care givers and nursing assistants as well as guaranteed compatibility for nursing licensing. These qualification systems include the following: 加強老人安養服務法案 or a Proposal on Strengthening Elderly Welfare that aimed to promote the participation of the elderly in their daily care, health, economic security, and social activities; 建構長期照顧系先導計畫 or Pilot Plan for Long-term Care Establishment that aimed to shift emphasis onto community care; 新世紀健康照顧計畫 Healthy Care Plan in the New Century that emphasized the development of long-term care; and 照顧服務產業發展法案 or Proposal on Care Service Industry Development that emphasized the development of a system of care services and the improvement of care quality and training of care workers (邱・陳・黃 2004). The possibility of introducing care insurance was also examined, although this has yet to become a reality. As part of these initiatives, the

family care is also greatly related to continuous employment among women. While we can point to this convenience as a positive aspect, on the flip side, we can also point to human rights issues and problems with quality.

Previous research has pointed to a wide range of human rights issues that occur when employing foreign nationals to work within the home. The employment of an “outsider” within the intimate sphere has given rise to a number of problems relating to abuse, with causes including labor laws not being applied, a lack of anonymity between employers and employees and the unequal labor relations resulting from this, and work carried out in spaces that are isolated from third parties. However, questions over this vulnerability have often been replaced with debates surrounding quality.

In February 2003, writer and government policy advisor Liu Hsia, who suffered from physical impairments, died as a result of abuse from her 33-year-old Indonesian care worker. This Indonesian care worker claimed that, on the day of the incident, she was told in a dream that an earthquake was going to occur and that she should save Ms. Hsia. So, she entered Ms. Hsia’s room and pulled her out of her bed, during which time Ms. Hsia sustained injuries to her body and was taken to hospital, where she passed away. According to a doctor, this care worker suffered from a conversion disorder brought on by extreme stress and could not tell the difference between reality and fantasy.

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labor force participation rate of 13% in Singapore and 9% in Hong Kong.

This incident was widely reported in the media, where the major focus of criticism was the government’s policies on foreign workers rather than the Indonesian care worker herself. At the same time as criticizing the introduction of cheap labor by the government by stating that, “This happened because the government failed to introduce high quality care workers”, sociologist James Hsueh cast doubts over the educational background and skills of care workers. In Taiwan, care workers do not require care work qualifications. While they are required to undertake 90 hours of training in their country of origin, in reality it is difficult to implement training in these countries, meaning that unqualified people are being placed in charge of people who have serious care needs. Liao Wei-jen 廖為仁, the deputy director of the Bureau of Employment and Vocational Training at the Council of Labor Affairs feels that the problem is that the Labor Standards Act is not being applied to this area (March 1, TT03). While he implied that new laws should be established for this act (such as domestic service law), discussions to this effect are ongoing and have yet to reach the stage of legislation. Despite this incident being a landmark event in respect to providing an opportunity to deal with the issue of quality among laborers, in the end it was dealt with as a human rights issue in the form of a failure to apply labor laws, and was not discussed from the aspect of care skills.

The biggest issue surrounding foreign laborers is the labor conditions of domestic workers. An institutional structure that sees workers fall deeply into debt is one of the factors accounting for the creation of harsh

Taiwanese government designated elderly care as a new “industry”, and set about proactively training Taiwanese care workers. There are a number of aspects behind the government’s decision to turn care into an industry, including efforts to reduce unemployment, to secure an alternative source of income for farmers as part of a reconstruction of the agriculture industry, and to deal with the labor issue of employing members of minority groups. The development of a care system was not only an attempt to deal with Taiwan’s increasingly aging population but, as will be discussed later on in relation to Hong Kong, also indicated policies for controlling foreign workers from the perspectives of training and securing employment for domestic workers. Behind this was a predicted scenario of problems arising as a result of competition with foreign workers, along with an increase in the logic of popular sovereignty among Taiwanese citizens.

When examining the labor market, we need to consider two separate categories: domestic and facilities. In a series of reforms, the government introduced a system of qualifications based on caregivers which requires that workers undertake over 90 hours of training so as to ensure the quality of care. The job titles such as *Zhaogu fuwuyuan* 照顧服務員 “nurse aides”, care workers who have been used in medical facilities under the jurisdiction of the Department of Health or care facilities with attached medical care facilities, and “custody and care worker”, care workers used at care facilities under the jurisdiction of the Ministry of the Interior, were integrated simply as

“Caregivers”<sup>11</sup>. At the same time as providing standardized qualifications, the integration of these job titles aimed to increase the mobility of medical and welfare personnel. Foreign care workers who work within the home are also required to take over 90 hours of training prior to arriving in Taiwan, thus ensuring consistency between domestic and overseas labor. However, it is mainly intermediaries in the country of origin of workers who have been contracted to provide this training. Given that they might not be very well informed on care in Taiwan (by their very nature they are not educational institutions) and that the workers’ country of origin has a young population composition (meaning an underdeveloped knowledge of care concepts and lack of effective training) it is hard to imagine that they are in a position to train human resources that will meet Taiwan’s needs. As human resource development is from the outset prescribed under the relevant laws, conducting the kind of human resource development required by the Taiwanese government in Indonesia is not an easy matter<sup>12</sup>. Furthermore, these 90 hours of training required by the Council of Labor Affairs were not

<sup>11</sup> According to the public notice 照顧服務員訓練實施計畫及其關連事項 or Careworker Training Plan and Implementation and Their Related Issues, published in February 13, 2003, by the Ministry of the Interior and Department of Health.

<sup>12</sup> According to the Council of Labor Affairs, negotiations are underway to conduct training in line as much as possible with Taiwan’s care curriculum. However, there are no confirmable institutions in the country of origin that can satisfy the necessary fundamental requirements for the acquisitions of qualifications, such as the requirements for teachers, curriculum or facilities.

authorized by the Ministry of the Interior. Thus, such neglect widened the inconsistencies between foreign workers and Taiwanese workers.

This shows that the introduction of foreign workers, which started out as a labor policy, has reached a transitional stage. In other words, the training of human resources who meet the required level of care skills is not proceeding smoothly. At the same time, care workers with the exception of foreign nationals were under the jurisdiction of the Ministry of the Interior. According to interviews with those connected with facilities (under the system for assessing facilities as of 2004), the existence of foreign care workers was treated as a factor in lowering a facility's rating, which is why foreign workers working at facilities were left out of Ministry of the Interior statistics<sup>13</sup>.

These kinds of inconsistencies are widening. This is because there is also a need for medical care for people with severe disabilities. For example, the Taipei City Government Department of Labor has published a multilingual handbook on at-home care for foreign domestic workers (Taipei City Government Department of Labor 2008). Of note is the fact that this handbook includes information on a range of medical care practices, including excretion care, enteric nutrients, steam inhalation, postural changes, patting, phlegm removal care, tracheotomies, care of artificial bladders, stoma care, assistance with bathing and hygiene, preventing bedsores, oral care,

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<sup>13</sup> Ministry of the Interior statistics now also contains data on foreign care workers working in facilities. However, they do not contain data on those working within households.

measuring blood-sugar levels, diabetes patients and meals, measuring blood pressure, defecation and enemas, coping with emergencies and transporting patients, caring for patients with gastronomy tubes, and feeding patients with hyperlipidemia. This suggests that unqualified foreign workers are also carrying out medical care practices in the course of their work.

According to the Council of Labor Affairs, while this handbook contains information on medical practices, the council has no concerns over the handbook's existence, and that to date, there have been no complaints over such things as medical accidents<sup>14</sup>. One employee expressed a personal opinion that the handbook contains information on the kind of care that can be practiced by family members and that foreign workers working in at-home care can also handle them. This suggests an awareness of live-in foreign domestic workers as being an extension of the family, leading to a broad interpretation in which the intimate sphere extends to domestic workers and their primary nature as workers retreats into the background. Further, supposing a medical accident did occur, it would not be possible to call foreign workers to account. This is not because of their work within the intimate sphere but because of the capacity for economic compensation. Here, we see a complex view of foreign workers in which they are both close relations as "extensions of the family" and workers as "the poor other". According to the Taipei City Government Department of Labor, while there were three reported incidents of medical accidents in 2009,

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<sup>14</sup> From an interview with the Council of Labor Affairs Vocational Training Bureau (June 2010).

these did not become a social issue<sup>15</sup>. The example of Taiwan demonstrates how foreign workers introduced with the aim of encouraging women to join the workforce have led to the development of a system that emphasizes care to meet the needs of an increasingly aging population and has led to the creation of welfare policies. Furthermore, this shows how problems exist in the gap between the skills of foreign workers and the need for care.

## 1-2. Singapore

### Industrialization and Policies for Foreign Workers

As with Taiwan, in Singapore domestic workers were also introduced with the aim of making up for a deficiency in domestic work in the household resulting from women joining the workforce. Singapore, a country which is limited in respect to both size and population, was one of the first countries in East Asia to introduce foreign domestic workers. In the 1960s at the time of its independence, reducing unemployment was a major issue in Singapore; however, with the arrival of industrialization, the country started to face labor shortages. While at the beginning it relied on labor supply from Malaysia which was the Traditional Source (TS), before long it also came to rely on Non Traditional Sources (NTS) from Southeast Asian countries other than Malaysia. This took on two forms: the direct supplementation of workforces in the

manufacturing and construction industries, both of which were suffering from labor shortages, and the indirect supplementation of workforces by introducing foreign domestic workers with the aim of encouraging Singaporean women to join the workforce.

The adherence to labor-intensive industries in the early phases of industrialization was significant in the sense of creating jobs. But during these early days Singapore was also hit by labor shortages and saw a decrease in competitiveness as a result of other NIEs and ASEAN countries catching up, thus necessitating revisions to the policy. In 1979, the National Wage Council consisting of government, workers and employers launched an inquiry into abolishing wage controls and raising the pay of Singaporean workers, suggesting a breakaway from labor-intensive industries and a switch over to high added value industries. The establishments of the Skills Development Fund (SDF) in 1979 and the Committee on Productivity in 1981 are indicative of this change in direction.

In Singapore, with its limited workforce, the preservation of labor-intensive industries created an increase in demand for foreign workers; however, the shift towards high added value sectors and policies for increasing wages generated a disparity in wages levels between domestic and foreign workers, thus creating an incentive to hire foreign workers. Thus, the government imposed an employment tax on employers of foreign workers in an attempt to rectify this disparity and created a high-cost framework for employing foreign workers. By doing so, it introduced incentives to

<sup>15</sup> According to the Taipei City Government Department of Labor.



improve productivity in the form of mechanization and automation. On the other hand, the government also introduced foreign domestic workers in an attempt to encourage women into work, adopting a policy in which in principle only married working women were allowed to hire these workers (May 13, ST1995)<sup>16</sup>.

In line with economic growth and increases in the level of academic achievement among women, the employment of domestic workers gradually began to make inroads into Singaporean society. By the latter half of the 1980s, there were around 40,000 foreign domestic workers (1988). Whilst only a fraction of the current 200,000, the rate of hiring domestic workers among high-income working women with children was approaching in the region of 50%, with domestic workers having become a common facet of certain sections of society (Ministry of Community Development 1986; Asato and Nakae 2008).

Furthermore, as of 1992, just under 50% of women with children aged 6 or under had already hired foreign domestic workers (March 18, ST1992). The job description for these domestic workers has been stated as consisting of 3Cs (Cooking, Cleaning, Care for children), with domestic workers playing a large role in child rearing and their employment connected to a great extent with the work of

their employer (September 30, ST2003). The employment of domestic workers was not a “luxury item” for high-income working women with children but an option provided to women through labor policies that required a high level of labor productivity.

#### **A Balance between Encouraging Women into Work and Unwelcomed Domestic Workers – The Situation surrounding Employment Taxes**

The Singaporean government, which has incorporated the notion of eugenics into population policies, has demonstrated a sense of wariness over increasing numbers of domestic workers. The government required controls on the number of workers; one way in which they have done so was by levying employment taxes. By eradicating disparities between the wage levels of domestic and foreign workers and making the hiring of foreign workers more expensive, the government aims to become less dependent on foreign workers, and instead to make mechanization and automation more efficient and industry more advanced. In addition, the amount of employment taxes has also been subject to frequent revisions in line with economic conditions. When the economic conditions are unfavorable, taxes have lowered in order to reduce the burden on companies. When economic conditions are favorable and the number of foreign workers increases, the government has sought to control the number of workers through levying taxes.

Quantitative management of this kind  
policy.

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<sup>16</sup> View of the Minister of Labor for 1984. In 1989, first Deputy Prime Minister Goh Chok Tong proposed the employment of domestic workers as a measure to combat declining birthrates, with the continued employment of women and the hiring of domestic workers as a measure to combat declining birthrates. This logic was also used to legitimize subsequent

was also applied to foreign domestic workers. In November 1984, employment taxes introduced at 120 Singapore dollars (SGD) per person per month had gradually been raised to 160 SGD by January 1989. In 1990, it was raised from 200 SGD to 230 SGD, and then to 250 SGD.

Here, the Ministry of Labor set up tax deductions on employment taxes for married working women, thus discriminating between married working women and all other women. The basis of this was to provide preferential support for both encouraging women to work and rear children. This same ministry explained their reasoning behind these tax deductions, stating that "Women with a high level of education can be expected to continue working and have children by hiring a maid". They then explained that in order to receive preferential tax treatment in respect to tax deductions, housewives would have to go out to work (December 20, ST1989). From 1991 the following year, tax deductions were approved of up to two times the amount of levied employment tax (March 2, ST1991)<sup>17</sup>.

This also accorded with population policies at the time. Between the 1980s and 1990s, Singapore adopted population policies that included notions of eugenics in the form of policies encouraging educated women to have children and controlled childbirth among other

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<sup>17</sup> While it is still the unchanged view of the government that employment taxes function to regulate foreign worker numbers, some are of the opinion that it is not effective. In addition, as raising employment taxes for domestic workers inhibits the employment of low-income female domestic workers, we also come across some newspapers expressing the opinion that there may be a lack of unskilled female workers (January 23, ST1993).

women (The Business Times April 4, 1990). At that time, limitations were placed on the number of foreign domestic workers, with employers generally consisting of high income educated women. Therefore, the employment of foreign domestic workers can also be thought of as a policy for giving preferential treatment to women of this kind. It is in this respect that we see a convergence of policies on labor, women and population.

However, very little was witnessed in regard to welfare policies. In 1990, the Handicaps Welfare Association requested tax deductions for employers of domestic workers hired to care for those with disabilities (February 13, ST1990). However, the government stated that there was already a separate system of tax deductions for elderly and disabled persons, and thus rejected this request. In 1992, there was again an increasing amount of discussion on a system of preferential treatment for those employed in elderly care (March 10, ST1992). In 1994, the National Trades Union Congress (NTUC) proposed giving preferential treatment for employment tax to unmarried women working in elderly care (August 15, ST1994). In 1994 in particular, the maintenance of parents act was proposed in parliament advocating the strengthening of financial support and care of elderly parent became a topic of discussion, but in both cases preferential treatment for employment tax for unmarried women was rejected<sup>18</sup>. The same issue also cropped up in 1998 and 1999; however, the result was the same as before.

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<sup>18</sup> Note that a system of preferential tax treatment exists for care workers.

The Ministry of Labor has persisted with its initial reasoning that the aim of introducing domestic workers is so that married women with children can continue working and that it is not for care. The Ministry of Finance explains that there is already another system of preferential treatment in place for families and relatives living with elderly parents (August 14, ST1999). This debate continued into the 2000s, with Second Minister for Finance Lim Hng Kiang stating that tax deductions do not apply to unmarried women and on record as having declared that, “Well, in that case they should get married!” (November 27, ST2002).

As stated previously, a major reason for hiring domestic workers was the externalization of child rearing and continuing employment among women. While the Singaporean government has sometimes set out to put in place day-care centers or nurseries, from this tendency for externalization among working women, we see that the higher a woman’s income, the more likely she is to employ a domestic worker rather than leave her children at a day-care center or nursery (Asato and Nakae 2008). In other words, the provision of care within the family is preferable, with options other than employing domestic workers decreasing according to a person’s income (Public Policy Research Centre Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong 2008). This shows that domestic workers are by far the preferred choice for childcare.

Many concerns have also been raised over people becoming dependent on domestic workers. The following issues have come to

form the subject of debate: the capability of the government to manage the increasing numbers of domestic workers, the increasing social costs resulting from this (October 14, ST1996), and the impacts of hiring domestic workers on family life. For example, this includes future negative impacts on children who have been brought up by domestic workers, such as maid dependency syndrome (cf. Nehrling 2010) or changes in gender relations within the family due to the existence of a domestic worker. Having said this, the number of domestic workers has continued to rise.

In this way, industrialization from the 1970s to 1990s meant that the government had to initiate a policy that would allow for the employment of female workers by introducing domestic workers into households. However, this was not merely a form of employment policy; rather, it was also a population policy based on the notion of eugenics, which granted incentives to married working women to hire foreign workers. However, as a form of total volume control, it was also interpreted as a policy for controlling the number of foreign workers through employment taxes.

### **The Limitations of Employment Taxes and Beginnings of Domestic Workers as Welfare Policy**

There are limitations to employment taxes as a policy for controlling foreign worker numbers. In order to control the ever-increasing number of domestic workers, in 1990, 1992 and 1994, the government successively raised employment tax amounts. Furthermore, in 2002,

the Ministry of Manpower proposed establishing quantitative controls on foreign domestic workers and instead training Taiwanese domestic workers to the Economic Review Committee, which determines employment tax levels (September 17, ST2002). At 345 SGD, employment tax was already higher than the wages of a domestic worker, meaning that there were limits as to how much more it could be raised. According to a National Trades Union Congress (NTUC) survey, the employment costs borne by employers were a monthly total of 530 SGD, which includes wages paid to domestic workers and employment tax. This includes 185 SGD for wages and 345 SGD for employment tax, with the latter accounting for 65% of employment costs (October 28, ST2002)<sup>19</sup>. Newspapers and magazines argued that maids are unnecessary. Pointing out jobs could be created for the unemployed through the development of nurseries and a market for domestic workers through Singaporeans.

Not only had the employment tax functioned to regulate domestic worker numbers now been lost but the increasingly high incomes of women resulting from economic growth meant that the demand for domestic workers continued to soar. Coupled with the new factor of increasing demand for care resulting from Singapore's aging population, it had now become difficult for the government to place controls on foreign domestic workers or to

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<sup>19</sup>This wage level can be thought as referring to Indonesian domestic workers. When hiring Filipino domestic workers, this figure becomes 700 SGD. Even so, the employment tax represents around half of employment costs. See Asato (2009) for more details on working conditions etc.

continue giving preferential treatment to married women.

The turning point came in 2004 with amendments to the employment tax. Here, the government amended the law such that the system of preferential treatment for employment tax was extended to households with elderly people of 65 years of age or older or children under 12 years of age, irrespective of marital status<sup>20</sup>. As of the time of writing in 2011, employment tax is set at 265 SGD, with preferential tax treatment applying to the below cases and the amount becoming 170 SGD (Asato and Nakae 2008). In 2007, this preferential system was also applied to households with members who have disabilities as well.

- Employers or their spouses who have children or grandchildren of Singaporean nationality under the age of 12.
- Employers or cohabiting spouses who are of Singaporean nationality and the age of 65 or older.
- Employers or their spouses who are of Singaporean nationality, with the other being a long-term resident the age of 65 or older. Further, both of whom are living together at an address registered on a National Registration Identity Card (NRIC).
- Employers or their spouses who are living together at an address registered on an NRIC with their parents, adoptive parents,

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<sup>20</sup>However, a review of deductions was not carried out, which continued to apply only to married women.