

Migrant Workers Pay Sky-high Fees to Expand Taiwan's Biggest Airport

Vietnamese and Thai construction workers risk debt bondage at state-owned international airport.

Friday 5 July 2024, by [BENGTSSEN Peter](#) (Date first published: 2 July 2024).

Taiwan's international airport in Taoyuan will soon be able to handle an extra 20 million annual passengers, due to a \$3 billion government budget for a new third terminal. Since construction kicked off in 2021, several thousand workers have been imported from Vietnam and Thailand to expand the airport.

Migrant workers at the construction site soon found themselves facing multiple forced labor risks that a decade of preparations and a multibillion-dollar budget apparently didn't plan for. Interviewees said they were working under "very high debt" paid to recruiters for jobs and also complained about deceptive Taiwanese labor brokers and punitive management. Over 500 migrants have fled the site, becoming undocumented workers.

"Foreign workers in Taiwan would be less vulnerable to coercive situations if they didn't become indebted for obtaining their job and a visa," said U.N. Special Rapporteur on modern forms of slavery Tomoya Obokata. "It is important to pay attention to migrant workers' multiple risks of falling into debt bondage or forced labor."

Our feature "[The Vietnamese Debt Bondage Gamble](#)" interactively explored debt bondage in Taiwan connected to some of the world's biggest private sector firms. Now, we uncover how public authorities in Taiwan, as well as foreign governments, profit from similar vulnerabilities.

Indebted Migrants Behind Flagship Project

"My family didn't have a single dong. I borrowed everything from the bank and others," said a Vietnamese worker who agreed to meet at a safe place some distance from the airport.

The worker said that he paid over \$5,000 to recruiters for his job at the airport, equivalent to 2.5 years of Vietnam's minimum wage. He paid another \$500 as "anti-escape money," also known as a "deposit," which was returned to him after six months of work.

All 12 Vietnamese men The Diplomat interviewed said they borrowed most or all the \$4,300 to \$5,700 they paid in recruitment fees. Some were still indebted at the time of the interviews. Every colleague they knew also incurred debt to pay recruiters, they said.

Workers who take on high debts to pay for jobs may find themselves forced to endure harsh working conditions because of debts binding them to work, a practice known as debt bondage, which the International Labor Organization (ILO) considers an [indicator of forced labor](#).

On top of their debts, the construction workers also paid monthly service fees to Taiwanese labor brokers, corresponding to two months of pay per three-year contract, which is unavoidable for

workers. Several interviewees said the monthly fees were “very unreasonable.” They also said that brokers charge several other fees.

“I must pay the broker 450 NTD [\$14] for transport to the doctor, when I am ill,” complained one worker, adding that this roughly corresponds to the sick leave pay for a day. The majority of interviewees concurred.

Workers spoke about threats, harassment, and punishment with fines of 3,000 to 5,000 NTD (\$92 to \$155) or a few days off without pay. Other types of punishment included deportation, which can be imposed, for example, if workers fight or receive three warning letters. Several interviewees mentioned continuous deportation threats by supervisors.

The flagship airport terminal project is the millennium’s largest single investment by Taiwan’s government. Numerous local and foreign consultancies, architects and engineering firms have been involved since the budget was approved in 2011. The lead contractors, Samsung C&T from Korea and its Taiwanese partner RSEA Engineering, began construction in 2021 as a joint venture.

All interviewees believed they were employed by Samsung, since recruiters had told them so, and the workers wore Samsung-logo uniforms at work. However, the Chinese-language employer name on their Alien Residence Cards translates to RSEA Engineering, the local partner of Samsung. The workers can’t read Chinese. The 25 payslips and attendance lists shared with The Diplomat by workers contain no employer names, but Samsung’s name and logo appeared prominently on wall-to-wall banners at events held by recruiters in Vietnam, some interviewees said. This is confirmed by videos and photos on Facebook and on recruitment agency websites.

Several workers said they wanted to change jobs, but were told that they had to stay or face deportation. “Very many” colleagues had fled the airport construction site to toil as undocumented workers elsewhere, they said. A governmental [study](#) from 2023 appears to confirm this claim, as it concluded that over 500 workers had gone missing. The issue of missing workers is starting to gain [local media](#) traction. Around 1,500 workers remain at the site.

What Taiwan’s Government Said

The Taiwanese government owns the airport, which is operated by a state-owned company under the Ministry of Transportation.

The Ministry didn’t commit to addressing forced labor risks at the airport construction site, but replied that its “contractor stated in a letter that no debt-bonded labor has occurred in this project,” and that it hadn’t “identified or received notification from the central and local competent authorities of labor that there are forced labor risks or other forced labor indicators occurred.”

But did anyone ask the workers? Our interviewees provided a different perspective. Furthermore, Taiwan’s Ministry of Labor [previously told](#) The Diplomat, speaking in overall terms about its migrant workforce, that “many of these workers have limited finances in their country of origin, in most cases the costs incurred before arriving in Taiwan are covered by taking out a loan and if that is too large individuals can easily find themselves in debt bondage.”

However, Taiwan’s Ministry of Transportation would not request other authorities, like the Ministry of Labor, look into forced labor risks at the airport, but said that we could do so ourselves: “Since this counseling or complaint service does not fall within the business responsibility of [the airport terminal] construction project or our company, it is recommended that you contact our central and local competent authorities of labor (Ministry of Labor & Department of Labor, Taoyuan City Government) in Taiwan for further information,” The Diplomat was told.

Samsung C&T, the government's main contractor, and member of Korea's biggest corporate group, said that it "is not involved in recruitment of migrant workers and were not provided with the details of the recruitment contract between local recruiters and workers in advance."

The Korean multinational requires all business partners to adhere to its policies, including human rights protections, and it "conducts annual labor and human right inspections to identify human right risks, establish mitigation and improvement plan and monitor implementation status." Samsung did not disclose if its annual inspections at the Taiwanese airport site had identified human rights risks, and it did not acknowledge the forced labor risks among the migrant workforce, but said that it "will try every effort to improve recruitment and management processes for migrant workers and monitor improvements."

No one explained why the migrants' recruitment fees didn't make it into the \$3 billion budget.

Debt Bondage: The Elephant in the Room

Debt bondage due to high recruitment fees has been an elephant in the room for Taiwanese authorities for years.

When workers are charged excessive fees on foreign territory, Taiwan's law doesn't apply, and no system in Taiwan adequately monitors for such forced labor risks among its over 700,000 migrants employed mainly by the private sector.

The problem is connected to the everyday operations of Taiwan's public sector, too. Public procurement of services, such as building an airport, exposes the government to debt bondage risks among its contractors. Public investments in private firms, where such issues remain unaddressed, exposes the government to similar risks at its investees.

Taiwan's government is one of the ultimate owners of the private firm RSEA Engineering, because a government agency holds shares in RSEA, Samsung's construction partner on the airport site. The agency, the Veterans Affairs Council, confirmed that RSEA hires migrants via an intermediary agency and stressed that it "only holds a minority stake in RSEA (less than 10 percent) and neither recommend managerial positions nor possess decision-making authority."

Taiwan's national post service, Chunghwa Post, is a state-owned company and a shareholder of Giant Manufacturing, Taiwan's and the world's biggest bike maker, where such issues were recently exposed in a report published by [Le Monde diplomatique](#). Neither Chunghwa Post or its governing authority, the Ministry of Transportation, had comments.

Like the national government, local authorities profit by debt bondage risks too, for instance through procurement from local suppliers.

YouBike, a popular rental bike system, is a partnership between city and county governments and Giant Manufacturing, where Giant provides bikes for the over 800 million YouBike rentals so far. Taipei's City Government said it would look into our request, but never replied if it addresses forced labor risks with public suppliers.

Giant Manufacturing stressed that it complies with Taiwan's laws, but didn't acknowledge workers' concerns nor commit to remediation.

The elephant in the room – the collective ignorance of migrant debt bondage risks – is strikingly (in)visible in the government study of the over 500 missing migrants at the airport site.

So why are the airport construction workers fleeing?

Wage-related issues such as lack of overtime, is highlighted as the main reason by the 2023 study which cited the state-owned Taoyuan International Airport Corporation and the joint venture of Samsung and RSEA Engineering. Workers weren't asked. Social and cultural differences, gambling debts, criminal activities, and lenient penalties on migrants are also mentioned in the study. Recruitment-related debts and bondage risks aren't addressed at all, despite the causality between high debts and high demand for overtime to pay off debts. The study was published by the Control Yuan, an auditory branch of Taiwan's government, which did not reply our request comments.

Foreign Authorities Profiting on Forced Labor Risks

Like Taiwanese authorities, public bodies abroad are also profiting from the migrant labor regime on the island. Some of the world's biggest government-owned pension funds invest in Giant Manufacturing, Samsung C&T, and L&K Engineering, the parent of RSEA Engineering.

The Government Pension Fund of Norway , the world's biggest, is a shareholder of all three, in addition to several others we recently connected to debt bondage risks in Taiwan. The fund has invested in Taiwan for decades, currently over \$20 billion, which exceeds its combined investments in Thailand, Malaysia, Vietnam, Indonesia, the Philippines, Singapore, Hong Kong, Bangladesh, and Sri Lanka.

Korea's National Pension Fund invests in Samsung C&T. Sweden's pension fund, AP2, is a shareholder of Giant Manufacturing.

The Norwegian pension fund said it would look into the forced labor risks connected to its investees. "With respect to ethical recruitment, we agree with the Employer Pays Principle and that recruitment fees should be reimbursement of when they have been unfairly charged to workers," a spokesperson said.

Since 2021, the Government Pension Fund of Norway has screened companies for ESG-related risks, including labor risks, before making investment decisions, and uses FTSE as index provider, though forced labor risks appear to fall through the cracks sometimes. The fund regularly excludes companies from its portfolio due to unacceptable risks, for instance human rights. Its Council of Ethics referenced our past investigative reports when it recommended the exclusion of a Malaysian investee in 2022 due to [human rights abuses](#).

The Swedish pension fund, AP2, has zero-tolerance for forced labor, but does not require investees to practice zero-fee recruitment. It does not include human rights or labor issues in pre-investment screenings, but addresses such risks with investees through ongoing dialogue.

Korea's biggest pension fund did not reply to requests for comment.

Some of the world's biggest private investors, including BlackRock, Vanguard and Dimensional, also own shares in both Taiwanese manufacturers Giant Manufacturing and L&K Engineering, while JP Morgan, BNP Paribas, HSBC, Schroder, Hermes, and the Royal Bank of Canada hold Giant shares, too.

Western national and municipal authorities are sometimes also profiting by forced labor through public procurement, such as when public healthcare systems in the United States, Canada, England, Germany, and more were linked to such risks at Asian suppliers following our work in [2019-21](#).

Who is Holding Whom to Account?

While recruitment-fee related forced labor risks are flying under the radar among Taiwanese authorities' contractors, partners, and investees, momentum might arise from diplomatic efforts resulting in the 2023 [trade agreement](#) between Taiwan and the United States. As part of the deal, both parties commit "to eliminate the charging of recruitment fees and related costs to migrant workers."

How the agreement plays out in practice remains to be seen with a new Taiwanese government having been just sworn in. Taiwan's migrant workforce was an almost completely unaddressed topic throughout the election earlier this year, and the island's influential manpower industry might sit tight on the estimated [\\$484 million](#) service fees pocketed annually from migrants.

Taiwan is one of the remaining places in the world that legally allows labor brokers to charge migrant workers fees for services that elsewhere are borne by employers as human resource costs. [NESA](#), the National Federation of Employment Service Association, did not reply our requests for comment. Taiwan's labor brokers also get a cut of the annual hundreds of million dollars paid up-front by migrants to foreign recruiters for jobs in Taiwan, multiple [sources](#) told us.

Countries such as the United States can [ban imports](#) from crossing its borders, if goods are suspectedly made by forced labor. The European Union passed similar legislation this year to be applied within three years, union-wide. However, such legislation will not hold construction firms or suppliers of Taiwan's authorities to account, unless they — like Giant Bicycles — export to the United States or the European Union.

Elsewhere in the world, public authorities are developing policies and practices on how to properly address human rights issues with contractors. Most recently in Sweden, national and regional procurers in May 2024 implemented new [guidance](#) in this area.

The next time you pass through Taoyuan International Airport, bear in mind the workers who paid to build it for Taiwan's government.

**Every company and government entity mentioned has been approached for comment. Around two dozen migrant workers at the airport construction site and Giant Manufacturing provided testimonies. Workers' identities are not revealed for their safety.*

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P.S.

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