



Wrap up

Employment in East Asian Societies

Jun Imai



Risk perspective

- It is “perspective” because...
 - it highlights the fact that society is a set of institutional arrangements that people organize their relationships to control or alleviate the “risks”
 - it sheds lights on what “risks” are important for people – largely framed as risks to fail maintain livelihood and life-course prospects
 - it enables us to examine how those risks are dealt under the current institutional arrangements and their changes (individualization thesis by U. Beck)



Institutions people rely on

- The institutional arrangements that people rely on to help secure livelihood (livelihood security system)..
 - Welfare state (*discussions of welfare state concern only this part)
 - Employment
 - Family
 - Community
- “Employment” is central in all industrialized societies
 - For instance, “occupation” is the best indicator of social inequality in the US. Less so, but “occupation” still matters in Germany (from risk perspective, many risks are covered by welfare states, whereas the degree of coverage differs by occ.)
 - How “employment” relates to other institutions is different from society to society



Comparing employment relations

- Economic growth and political stability
 - International relations (position of a society in the international division of labor, politics)
 - Industrial policy and development
 - State-firm-labor politics shape employment relations (Fligstein 2001)
- Comparing how employment is institutionalized?
 - How “regular” employment is constructed?
 - How regular employment is knitted with other institutions?
 - How “non-regular” employment is constructed?
 - “Functional equivalents” are very different institutions, but which play similar roles or have similar outcomes
- How people experience working life...



Japan 1

- Economic growth and political stability
 - Developmentalist policy + clientalist pork-barrel politics (Miyamoto 2009)
- Employment security for regular employees
 - Labor relations (enterprise unionism) produced secure employment and wage
 - Strong societal norm that respects “life-time employment”
 - Welfare-employment policy: tax and welfare programs that assume life-stage adjusted wage, employment adjustment
 - Gender division, “family” shaped as complementary and subordinate institution to employment
 - Dualism exists, but “life-long employment” was set as an ideal type for all sectors (other forms were evaluated as deviances)



Japan 2

- Internal mobility with strong worker commitment
- Sub-contracting (including on-site) is common
- Use of various forms of non-regular employment (predominantly *paato* before deregulation) who lack social protection
 - During the process of deregulation (late 1990s to 2004), enterprise unions did not consider working conditions of non-regulars
 - Regular/non-regular greatly overlaps with gender line, followed by generation
 - Lots of (young and/or female) workers lack access to decent wages, social protection and opportunity of training
- People rely on “family” as an alternative institution?
 - Individual resources: network of friends.... (Brinton 2009)
 - *Hikikomori* and parasite-singles. Only the young women who are able to rely on her parents can raise children



Korea 1

- Authoritarian and developmentalist up until the 1980s
- Employment security for regular employees
 - Labor union movements were repressed until democratization (repression seemed to be slightly weaker than Taiwan)
 - But after the democratization, it started to have voice, in particular in the wake of Asian financial crisis
 - “life-time employment” for those who work at large firms (enterprise unionism)
 - Welfare and employment policy assumes lay-off
- Flexibility
 - Management right to dismiss workers under urgent business conditions
 - Mobility between regular and non-regular much higher and easier than Japan



Korea 2

- Flexibility (continued..)
 - Use of non-regular employees (limited-term contract workers who are with or without contract extension) is quite common
 - Strong tendency to use sub-contracting (including on-site: sub-contracting workers are often included in non-regular workers)
 - However, except for the case of limited-term workers w/o renewal, non-regulars have better access to social protection at least than Japan
 - In the late 1990s, Korea tried to establish TDW Law following Japanese path, but became much more restrictive to employers



China 1

- Communist → market economy (transition economy, without large-scale privatization)
- Seeking “functional equivalents” as, for instance, employment relation was not market relation in China
- Security of being “regular” workers until 1986
 - Life long security, access to social welfare, protected in enterprise communities (“Iron rice bowl”)
 - If workers are “cadre”, they have prospect of upward mobility (labourers administered by labor administration are in the lower strata, with very different life chances, share very similar protections)
 - Workers who are not in *danwei* (by *hukou*, urban/rural division) work for people’s commune → not necessarily disadvantaged, community provide protections



China 2

- Reform of the planned economy (to seek flexibility)
 - Introduction of contract (for new workers of SOEs) (unclear consequence)
 - Urban residents were invited to establish business outside the state's planned economy (after 1986)
 - Privatization, inviting foreign investments → in mid- 1990s, livelihood risk was transferred from SOEs to individuals
 - Contract, again, was introduced to create labor market (in 1997, 97.5% of workers were in contract)
 - Rise of temporary worker dispatching (in the form of restructuring support business in Japan), Off-post workers
 - Growth of *informal sector* where workers have neither contract nor access to protections (common in new industrialization) = rural migrant workers



Taiwan 1

- Authoritarian KMT regime –
 - SOEs and large firms leading the economy
 - Social integration through facilitating the establishment of SMEs (mobility towards SME owner is idealized; owners authorized KMT regime)
- How regular employment was institutionalized
 - Workers at SOE sector got better wages and employment security
 - Policy encouraged the establishment of SMEs. Workers are often members of owners (extended) family
 - They are not union organized



Taiwan 2

- Flexibility
 - SMEs are relatively short-lived
 - Mobility of workers at SMES is relatively high
 - Family employees can be informalized?
 - Subcontracting is organized between SMEs using *guanxi* (kin and community) relations
- Rising risks after the 1990s, especially after 1997
 - Plant closings (1992) and national health care (1995) were picked up by TLF
 - Off-shoring of subcontracting threatens the employment at SMEs



Similarities & differences 1

- Importance of “state” as an actor
 - In most of the post-WWII period, up until the 1980s, state played decisive role in shaping the economy of these countries
 - Democratic, but one party (LDP) developmentalist state (Japan)
 - Developmentalist dictatorship until 1987 (Korea)
 - One party communist regime (China)
 - One party (KMT) regime, Martial Law until 1987 (Taiwan)
 - State was also important in shaping (welfare-)employment regime in addition to employers and workers
- They are all in different stage of development...
 - Japan as a model? mostly mimicry (normative? not coercive)



Similarities and differences 2

- Importance of state-labor relation (Kamimura 2003)?
- Security of “regular” employment
 - Japan $\div$ China (rigid)
 - Korea $\div$ Taiwan (more flexible than J and C) ??
- Relationship between employment and other institutions
 - Japan: family (before as subordinate institution, now protect workers in insecurity)
 - Korea
 - China: state $\rightarrow$ community network (gate to employment) ?
 - Taiwan: family and kin network as sites to organize SMEs and subcontracting network



Similarities and differences 3

- Major triggers of change
 - Democratization (Korea, Taiwan)
 - Asian financial crisis (Korea, Taiwan)
 - Reform of the economy – transitional economy (China)
- Importance of considering industrial structural change
 - Kwon's article → different industries use non-regular forms of employment differently



Individualization of risk?

- Japan
 - Increasing number of young and/or women workers are employed with non-regular contracts, and are mostly not organized by labor unions. All risks are on their shoulders (firms to individuals).
- Korea
 - Similar to Japan, but mobility was higher.
 - Non-regular workers are better covered by social protections. Workers in small-firm sector (especially on-site subcontracting firms) and limited-term workers (w/o renewal) are in risk. (Young people are allocated to these sectors?).
- China
 - Introduction of “contract” produced potential risk of unemployment for literally all workers (state to individuals).
 - Rapid expansion of informal sector forces massive number of workers to live under extremely risky environment.
- Taiwan
 - Tight and friendly association between employment and family covered most of the risks. After the financial crisis, SMEs are facing difficulty to maintain business, which put workers in this sector under the threat of losing security.