Policy Responses to Precarious Work in Asia

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Introduction

Profound social, economic, and political changes that have operated for several decades throughout the world have produced major transformations in the nature of the risks experienced by workers, their families, and societies (Bourdieu 1998; Beck 2000; Webster et al. 2008; Kalleberg 2009, 2011). Many of these changes can be summarized by the concept of “precarious work,” which refers to the uncertainty, instability, and insecurity of work in which employees (as opposed to businesses or the government) bear the risks of work and receive limited social benefits and statutory entitlements (Vosko 2010: 2).

Precarious work is often low-wage work and associated with the working poor. It is also linked to increased insecurity for large numbers of people and has pervasive consequences not only for the nature of work, workplaces, and people’s work experiences, but also for gender roles and many non-work individual (e.g., mental/physical health, education) and social (e.g., family, community) outcomes as well as for political stability (Standing 1999, 2011; De Witte 1999). The growth of precarious work is a social, economic, and political concern that affects people’s ability to raise families and to manage their everyday lives. It thus touches on many salient topics for social scientists, impacting workers and their families, governments, and businesses, and having implications for welfare and housing and economic security.

The term “precarious work” captures the definitional fuzziness
associated with the many and various categories and forms of work that may not be "new" but often fail to capture the complexities of contemporary employment practices. These practices are designed by employers to: (1) lower costs; (2) limit or reduce the permanent workforce; (3) maximize their flexibility; (4) reduce labor's capacity for organization, and/or (5) shift employment risks to workers. Precarious work arrangements include putting-out systems, the use of dispatched or temporary agency workers, in-house contracted labor, irregular and casual employment, competitive work teams, and migrant workers.

The changes in the global economy that have made work more precarious have also put pressure on governments to reconfigure their social safety nets and update their labor laws. Existing welfare regimes based on a model of relatively stable work are no longer adequate in light of the emergence of precarious work as the dominant feature of social relations between employers and workers in the contemporary world. This has created pressure on governments to extend social protection to help people who do not have stable work manage the new risk structures as well as to revise labor laws and enact new ones that may help to regulate precarious work. These pressures are as acute throughout Asia as they are in the rest of the world.

In this chapter, we examine the range of responses on the part of workers and governments to the spread of precarious work in Asia. We first summarize the growth of precarious work in various Asian countries in recent years, which has led to changes in standard employment relations and served as a basis for the establishment of an East Asian "social welfare state" in countries such as Japan, South Korea, and Taiwan. Different dynamics operated in other Asian countries (such as Indonesia, the Philippines, and Sri Lanka), where uncertain, unstable, and insecure employment practices have long been the "standard" and where the persistence and expansion of precarious work and the informal economy did not generally involve a wholesale transformation of previous patterns. We then review some of the social movements and actions taken by unions that have put pressure on governments to adapt their social welfare policies and labor market regulations so as to provide greater social protection from precarious work and its consequences. We will discuss these issues in fairly general
II. The Post-World War II Period

The post-World War II period saw high economic growth in many industrialized countries, along with the advancement of welfare regimes that provided considerable economic security for large sections of the population. As a consequence of the democratic class struggle (Lipset 1960), inequality generally declined, unemployment was relatively low, and the middle class expanded.

1. The Standard Employment Relationship

The employment relationship in industrialized countries was generally characterized by a normative conception of work represented by the “standard employment relationship” (SER). This involved permanent, full-time work directed by an employer at the employer’s place of business and with regular pay and benefits. The SER was most frequently implemented in industrial production and was associated with a strong demand for less-skilled workers, whom employers could train on the job by means of firm internal labor markets. Its viability was facilitated by the economic growth and relatively young labor forces of the postwar period. Moreover, the SER was mainly limited to male employees, since it was able to function in large part due to a “male bread winner-female housekeeper” model of the family (see Vosko 2010) that was associated with relatively stable families and high fertility rates (Esping-Andersen 1999). This model of the employment relationship was the basis of labor laws and regulations that offered workers protection from unfair and unsafe labor conditions.

2. Welfare Capitalism

The SER was also the basis for the distribution of worker benefits and social protection in many types of welfare regimes. The idea of social protection is a creation of the twentieth century, a period during which most Western countries and some developing countries legislated some form of social protection system (Piachaud 2013: 3). The form and scope...
of these systems differed considerably depending on the nature of the
democratic class struggles and institutional and cultural features. Three
major institutional mechanisms provide social reproduction and social
protection: states (through public expenditures), employers (through
provision of benefits), and families (through dual earners or familial
support). The idea of welfare regimes underscores the importance of
considering the interactions among public and private sectors along with
families and households in producing welfare benefits.

In his study of advanced capitalist democracies, Esping-Andersen
(1990) identified “three worlds of welfare capitalism,” or three diverse
models of welfare regimes that were consolidated in the 1960s and
1970s and that provided varying strengths of protection against social
risks. He based his classification of these “worlds” on three indices:
decommodification (the extent to which an individual’s welfare is
reliant upon the market); social stratification (the role of states in
determining various forms of inequality); and the private-public mix
(the relative roles of the state, the family, the voluntary sector, and the
market in welfare provision). Based on these indices, Esping-Andersen
identified three regime types:

(1) A Social Democratic model (as in the Scandinavian countries)
characterized by centralized and coordinated bargaining and
comprehensive, universalistic welfare states. There is a
commitment to full employment and income protection, and the
state is interventionist in promoting redistribution.

(2) A conservative continental European model (as in Austria or
Germany) typified by narrower communities of social
citizenship (often based on occupations) with a stronger link
between family, benefits, and employment and tending to
maintain existing social patterns with a minimal redistributive
impact.

(3) A liberal, Anglo-Saxon model (as in the United States and the
United Kingdom) exemplified by relatively modest public
benefits and rights and more extensive private advantages
enjoyed by those in the core, unionized sectors of the economy
(Esping-Andersen 1999).

The East Asian social welfare model (EASWM) has been
considered a fourth “world” of welfare capitalism (Holliday 2000: 709; table 1). This is represented by Japan, Korea, and Taiwan, and is often referred to as the “developmental” state or “productivist” welfare system. A key feature of the EASWM is that social policies (including social protections) are subordinated to—and designed to facilitate—economic development and growth. Social rights to welfare are relatively small and connected to productivity increases (Holliday 2000), and thus reinforce the productive elements in society. Hence, those in the favored “core” manufacturing industries in Japan or South Korea received substantial benefits from their employers (including assurances of “lifetime” employment), while those outside the core employment system were forced to depend on other sources of welfare provision, such as the family. There is little decommodification in the EASWM, since social protections and standards of living are heavily dependent on one’s labor market position.

Table 1
Four Worlds of Welfare Capitalism

<table>
<thead>
<tr>
<th></th>
<th>Social policy</th>
<th>Social rights</th>
<th>Stratification effects</th>
<th>State-market-familly relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal</td>
<td>Neither</td>
<td>Minimal</td>
<td>Equality of poverty for minority; market-differentiated welfare for majority</td>
<td>Market provision encouraged</td>
</tr>
<tr>
<td></td>
<td>privileged nor</td>
<td>extensive</td>
<td>Existing status differentials preserved</td>
<td>Family protected</td>
</tr>
<tr>
<td></td>
<td>subordinate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservative</td>
<td>Neither</td>
<td>Quite</td>
<td>Universal benefits graduated according to accustomed earnings</td>
<td>Market crowded out; family socialized</td>
</tr>
<tr>
<td></td>
<td>privileged nor</td>
<td>extensive</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>subordinate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>Privileged</td>
<td>Extensive</td>
<td>Reinforcement of productive elements</td>
<td>Premised on overriding growth objectives</td>
</tr>
<tr>
<td>democratic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productivist</td>
<td>Subordinate</td>
<td>Minimal; extensions linked to productive activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to economic</td>
<td></td>
<td></td>
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<tr>
<td>policy</td>
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Source: Holliday (2000), with additions by the authors.
While there are differences between the countries identified with the EASWM, due to divergences in historical pathways and in the sequencing of development, two defining characteristics of the productivist world of welfare capitalism are identified in table 1: a growth-oriented state and the dominance of economic policy over social policy. Taking Esping-Andersen’s definitions of social rights, stratification, and state-market-family relations further, Holliday distinguishes three variations of the productivist world of welfare capitalism: he identifies Japan as “developmental-universalist,” Singapore as “developmental-particularist,” and Hong Kong as “facilitative” (Holliday 2000: 710).

All four major forms of welfare capitalism were based, in varying degrees, on the idea of the SER. Those who were employed in the core sectors of the economy made contributions to social insurance funds, especially in continental Europe, and in liberal market economies such as the United States that relied heavily on the provision of welfare benefits by employers. In East Asian countries, the SER usually involved “lifetime employment,” where employers were expected to provide welfare and other benefits in exchange for productivity and loyalty. The viability of the SER and the associated welfare regimes was facilitated by the segmentation of the liberal and conservative welfare regimes into protected “insider” groups that were part of the SER and outsider groups excluded from it, a pattern also seen in several East Asian economies. In continental European countries such as France and Germany as well as in Mediterranean European countries (e.g., Italy and Spain), welfare schemes provided employment protection for insiders while outsiders were exposed to precarious work. In the EASWM economies, benefits prior to the 1990s were generally narrow, often limited to state officials or to workers in the organized, formal modern industrial sector (Kwon 2007). In Taiwan, Korea, and Singapore, social policy innovation was also a part of the political strategy adopted by these authoritarian states to gain political support from core occupational groups such as soldiers, civil servants, and teachers.
III. Rise of Precarious Work

The global economic, political, and social changes associated with neoliberalization, beginning in the 1970s and accelerating since then, led to pressures to dismantle the standard employment relationship in all industrial countries. Many of these pressures were related to globalized production, driven by multiple motivations and innovations involving the application of capital, technology, knowledge, and logistics that led to increased international competition in product, capital, and labor markets. These structural drivers encouraged states, business, and labor to respond in a manner that enhanced competitiveness and profitability in multiple ways—through the competitiveness of products, firms, markets, and even countries. The globalization of production has resulted in—and been motivated by—cost reduction, notably through wage cost reductions (see Burkett and Hart-Landsberg 2000; Santoro 2000). Equally, though, issues related to the control of labor and to other characteristics of industrial relations—such as levels of unionization, collective bargaining contexts, and state workplace regulation—are also important factors affecting global investment decisions (Cooke 2001a, 2001b; also Kleiner and Ham 2003; Chiu 2007).

The growth of globalized production was accompanied by the extension of neoliberal ideology and policies that framed the policy responses of states and businesses to the challenges posed. Neoliberalism created an impetus for nation-states and businesses to establish increasingly flexible production processes and employment systems in order to compete successfully in global markets. This promoted the adoption of policies such as the privatization of state enterprises and the deregulation of labor markets that emphasized the market, lowering of taxes and fees on business, fiscal discipline taking precedence over social policies, trade, investment and financial liberalization, deregulation, decentralization, and an altered role for the state (Akram-Lodhi 2006).

Neoliberalism is a global project that Brenner, Peck, and Theodore (2010) argue is essentially regulatory and Helleiner (2010) associates with the extensive liberalization and globalization of finance that
replaced the Bretton Woods consensus. In fact, regulation and financialization are integral to a broader process: the deepening of the internationalization of capital in trade, finance, production, and investment (O'Connor 2010). Essentially, neoliberal globalization provided a strategy that permitted capitalism to free itself of the spatial "locks" that constrained its mobility and profitability (Harvey 2001; Silver 2003).

The ascendancy of neoliberal ideologies and policies was facilitated by—and in turn exacerbated—the weakening of labor movements in many developed countries. Indeed, the call for greater flexibility from employers was in part a reaction to the successes of unions and labor in many countries in obtaining greater institutional protections for workers. As a consequence of neoliberal policies and precarious work, the balance of power shifted heavily away from workers and toward employers (e.g., Chang 2009). In countries where organized labor was weaker, neoliberal policies promoting flexibility have led to unions losing members and relevance. Indeed, the shift in the balance of power from labor to capital has been one of the principal aims of those promoting neoliberal policies (see Harvey 2005: 14-31; ul Haque 2004: 6).

Precarious work has of course existed since the beginning of paid employment in capitalist economies, though in its current incarnation it differs in several important ways from previous eras. First, the spatial restructuring of work on a global scale has made it relatively easy to move goods, capital, and people within and across borders at an ever-

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1 In examining the rise of precarious work globally, the enhanced structural power of capital cannot be ignored. Structural power refers to “the ability of business and finance to influence policy without applying direct pressure to government.” (Gough 2000: 2). As liberalization has deepened everywhere, trade and investment openness has enhanced capital’s “exit options,” making states and labor more responsive to capital’s needs. Yet such openness is itself mediated by class forces and class struggle.

2 As O’Connor (2009: 93) points out, “Much trade union struggle in the first half of the twentieth century was directed to reducing the uncertainty of workers in relation not only to employment tenure and securing social protection in the event of unemployment, ill health and ageing but also to the control of the conditions within work.”
accelerating pace. This has freed employers from conventional temporal and spatial constraints and enabled them to locate their business operations optimally and to access cheap sources of labor. Moreover, advances in information and communication technologies allow capitalists to exert control over decentralized and spatially dispersed labor processes (e.g., Wallace and Brady 2001). Second, while layoffs or involuntary terminations of employment have always occurred and have fluctuated with the business cycle, these have now become a basic component of employers’ restructuring strategies, serving as a way of increasing short-term profits by reducing labor costs and as a means to undermine workers’ collective power (Uchitelle 2006). Third, precarious work was often described in the past in terms of a dual labor market, with unstable and uncertain jobs concentrated in a secondary labor market. Now, precarious work has spread to all sectors of the economy and has become much more pervasive and generalized. Even workers who continue to work full-time with their employers on “standard” employment contracts have become more precarious and insecure (Kalleberg 2011).

There has been a rise in precarious work in the industrialized countries of Asia, as well as throughout the world. In our project on precarious work in East Asia and in South and Southeast Asia that covered South Korea, Taiwan, and Japan—usually considered to fit the EASWM—as well as China, Vietnam, Thailand, Indonesia, the Philippines, India, and Sri Lanka, we noted that precarious work was not a transitory phenomenon (Kalleberg and Hewison 2013; Hewison and Kalleberg 2013). 3 Modernization and neoclassical economic theory held that as societies modernized workers would move from the “traditional”

3 Several recent writers emphasize that the growth of precarious work represents a fundamental transformation that is not simply driven by economic cycles. In referring to the dramatic changes to work that have taken place in the labor markets of industrialized countries in recent decades, for example, Vosko and her colleagues (2009: 1) note that “key changes [to labor markets] have proceeded through periods of economic growth and periods of recession.” Looking at Japan, Gottfried (2009: 88) explains that the expansion of precarious employment predates the long recession and the deregulation of the 1990s. For her, this suggests the sources of change go “beyond the confines of narrowly defined economic change.”
agricultural sector into “modern” industrial and service sector jobs which were considered to provide greater productivity and higher wages, with greater security and predictability in employment (Lewis 1954). However, our studies show that while urbanization and industrialization were occurring, work has remained precarious.

Indeed, in some of the developed East Asian economies, precarious forms of work were expanding. It became clear that even where an industrial transition had occurred—such as in Japan, South Korea, and Taiwan, which were emblematic of the developmentalist state—there was a continuing rolling back of “standard work” as firms adopted cost-cutting policies in response to heightened competition associated with globalization and other macro-structural forces (see chapters by Imai; Shin; and Lue, Hsiao, and Lee in this volume). As a result, companies hired fewer regular workers and increased their proportion of temporary workers. For example, in Japan, the percentage of the workforce employed as non-regular workers (hi-seishain) has doubled since the 1980s and now stands at more than one-third of the entire workforce (Osawa et al. 2013).

The experience of the countries of South and Southeast Asia was somewhat different given the pervasiveness of the informal economy in these countries (Hewison and Kalleberg 2013; also the chapter by Hettige in this volume). Workers in these countries are moving from the agricultural sector to the industrial and service sectors, in a context of international competition in global production chains and the enormous expansion of the service sectors, both requiring flexible forms of employment. The extensive use of precarious employment is built on the uncertain, unstable, and insecure employment practices previously experienced in the informal economies of these countries. In addition, employment in the so-called modern or formal sector in these countries is not producing a large expansion in employment (Hanusch 2012). This means that relatively limited numbers of workers have access to some benefits, relative security, and even collective bargaining. However, even this small formal sector is undergoing rapid informalization at the same time that the informal sector is persisting and expanding. In China, the expansion of precarious employment was an outcome of a deliberate strategy of development utilized by the state as it sought to fuel its labor-
intensive export industrialization model. China’s success in creating a low-wage, precarious labor force—combined with its immense economic power as the world’s fastest-growing economy—pressured other Asian countries to adopt similar strategies.

The growth of precarious work has contributed to the recent increases in economic inequality in Asian countries (figure 1, which shows trends in income inequality from 1990 to 2011), as in other industrial nations. This tends to undermine one of the claims made regarding the developmental state, most notably in the World Bank’s (1993) The East Asian Miracles report, that there had been “growth with equity” in East and Southeast Asia (Tang 2000: 4). Indeed, recent work by economists at the Organization for Economic Co-operation and Development (OECD) (2012) has shown that there have been two decades of decline in labor’s share in almost all OECD countries, including Japan and South Korea. The International Labour Organization (ILO) (2013: 41-60) confirms this trend for developing countries, including in the Asia-Pacific region. The OECD (2012: 109) explains that these declines owe much to a “reduction of workers’ bargaining power and the evolution of collective bargaining institutions.” We argue that the rise of precarious work—and the expanding gap between those in regular and non-regular work—is intimately related to this growth in overall economic inequality.

Arguably, the recent declines seen for a few places in this graph (after increases from 1990 to about 2005) owe something to changes in social welfare measures (see below). For example, the extension of universal health care in Thailand and, more recently, in Indonesia may

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4 The creation of a precarious labor force in China was expedited by government policies that encouraged migration from rural to urban areas and then dispossessed these migrants, making them second-class or “partial” citizens (or “denizens”—Standing 2011). Precarious work was relatively rare in China until the 1980s, due to the prominence of state enterprises and the “iron rice bowl.” The shift toward a more market-based economy in China led to a rapid growth in informal employment over the last two decades in both the formal and informal sectors of the economy; informal employment in China increased from less than 20 percent to more than 60 percent of the labor force from 1990 to 2009, largely replacing traditional formal employment in the state sector, which has decreased dramatically during this period (Zhou 2013).
Figure 1
GINI Coefficients, Ten Asian Countries, 1990-2011

well be having positive impacts on inequality and it suggests a move away from a productivist welfare regime. Yet guaranteed work for the poor in India and an expanded coverage of pensions, health insurance, and unemployment insurance in South Korea seem not to have stemmed rising inequality.

**IV. Protesting Precarious Work**

While market reforms and the growth of precarious work have decreased the power of workers to push for progressive social policies, there are signs of growing worker resistance to the spread of precarious work and economic inequality—or at least calls to mitigate some of their more negative consequences—as these have become increasingly urgent issues in many countries. This has exposed the negative aspects of neoliberal regimes and underscored the reality that the unfettered dominance of capital is also threatened. Just as union struggles were an important part of the emergence of the standard employment relationship in the first half of the twentieth century, changes to the SER are provoking vigorous political and workplace struggles today.

Labor politics has driven new policies concerning social protection and regulatory change. Deyo (2012: 141) identifies six modalities of collective and non-institutionalized labor struggle aimed at influencing labor regimes and social policies in Asian countries: (1) trade union activism, (2) social-movement activism, (3) labor-oriented NGOs, (4) broad popular-sector social movements, (5) engagement with labor-friendly political parties, and (6) a generalized threat of social disorder. The following chapters in this volume discuss examples of these kinds of struggles in particular countries; here, we simply point to a few general patterns.

In many Asian as well as European countries, workers have adopted protective strategies to defend themselves against recent globalization and deregulation policies. The growth of polarization and precarious work is often framed as a social and political issue and it has generated Polanyian-type countermovements against commodification and the market, involving both cross-class and cross-citizenship based resistance (Polanyi 1957). These types of countermovements are
reactions against the insecurity generated by unregulated markets. Anti-precarity resistance movements have been embraced by diverse groups in the population whose lives are threatened by the consequences of market deregulation, not just members of a particular class whose jobs are endangered. The anxiety, anger, anomie, and alienation produced by the spread of uncertainty, insecurity and inequality are reflected in social movements such as the globalized Occupy movement (comprised of lots of highly educated, over-qualified workers), los indignados in Spain, Freeters in Japan, and the annual EuroMayDay demonstrations, among many others. These are emerging cross-class coalitions, though their contours and strategies are not yet fully clarified. Moreover, these protest movements often lack a concrete political agenda and strategy and they have yet to link up with unions or civic organizations. As a result, their potential remains unrealized.

Some Asian countries have seen considerable trade union activism in response to the growth of precarious work. The International Metalworkers Federation has been active in opposing precarious work in a number of countries in the region, as has the Southern Initiative on Globalisation and Trade Union Rights (SIGTUR). In Japan, union membership had declined from a historic high of 12.7 million in 1994 to 10.04 million in 2006, but the decline was arrested in 2007 as enterprise unions began to organize nonstandard workers (thereby redefining their criteria for membership) and new types of unions—regional general unions (known as community unions)—emerged that organized workers in multiple small companies on a regional (as opposed to enterprise) basis (Nakamura and Nitta 2013). In South Korea, workers have reacted to the growth of precarious work by organizing non-regular workers, mobilizing in civil society, and supporting particular political parties in elections. These activities have helped to make fear of an emerging permanent underclass an important part of the debate about the future of national development policies in South Korea (Deyo 2012: 129). In Sri Lanka, trade unions and civil society organizations have been active in responding to precarious work, while in the Philippines, flexibilization has generated deep resentment among the trade unions, whose relatively small membership has been shrinking. In Indonesia, workers have linked with civil society organizations and parliamentarians in a decade-
long struggle to ameliorate the impact of precarious work. Finally, in China, workers’ protests and legal challenges have pushed the government to institute laws designed to regulate precarious work.

The rise of worker unrest in response to precarious work recalls Silver’s (2003) argument that while geographical relocation of production has tended to weaken labor in the areas from which capital was relocated, it often strengthens labor movements in the new geographical sites. This suggests the potential for a “new labor internationalism” that may provide opportunities for labor, as capital’s need for certainty and predictability may coincide with workers’ need for greater security. What is unclear at this point is the form that rejuvenated labor movements will take. For example, in some Asian countries, the basis of new labor organizing may be community (social unionism) rather than workplace based.

V. The Politics of Precarious Work

The extent to which precarious work has negative consequences is not determined solely by the nature of the work or by global processes, but is shaped in relation to other economic, cultural, historical, and social factors. Significant in this are the role and extent of social welfare and protections as well as the nature of labor laws. Thus, the extent of precarious employment may be ameliorated by the degree of social and employment protections provided by a country’s welfare regime and regulatory system. People who live in countries with comprehensive social safety nets for unemployed and non-regular workers are, for example, likely to face lower social risks from unemployment and the negative consequences of non-regular work than do people in jurisdictions where such social protections are not in place.

Social protections take a variety of forms, including healthcare provision, pension security, and unemployment and disability insurance. Closely related to the idea of social protection are other elements of social welfare such as social reproduction (human resource development in the form of education, training, and healthcare). There is also the issue of protections being targeted at particular groups of people. In addition to people of working age who might be low-waged or unemployed,
especially vulnerable groups include children, people with disabilities, older people, rural populations, women, and immigrants.

The decline of the SER and the spread of nonstandard work in Asia removed important welfare protections for the workers in these countries who were "insiders," since EASWM social protections were especially dependent on participation in the core economy. Thus, the unraveling of the "lifetime" employment system (mostly for men and especially in Japan)—which had seen firms absorbing some of the welfare costs associated with the productivist EASWM—weakened a keystone of the developmental state (Jacobs 1998). Consequently, the institutional structures that were appropriate in much of the postwar period are no longer suited to the new economic, social, and political realities, or what Beck (2000) has termed "the brave new world of work." The rise of precarious work and the decline of social protections have created a new global economy of insecurity. The risk of being trapped in nonstandard work arrangements is very high in many Asian countries, leading to the social exclusion of large groups of people (Lee and Eyraud 2008: 46). The kinds of worker and civic responses discussed in the previous section have led to growing pressure on governments to expand universalist social and economic protections. These transformations call for new models of work and welfare regimes that are appropriate to the changes in risk structures. Such pressure has been seen in advanced Asian economies like Taiwan and Korea and in developing economies like Indonesia. At the same time these demands and state responses indicate a weakening of the productivist welfare regime.

That states and businesses are redefining work directs attention to the politics of precarious work and of social welfare. The growth of precarious work and the economic crises of the late 1990s generated strong pressure for governments to "do something" to reduce social and

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5 Labor markets and social reform obviously interact in ways that are politically charged. Calls for welfare reform may indeed be loudest when economies face crisis and when political and economic elites or even middle classes feel threatened or disturbed by the people thrown aside in such events. Yet such crises are indicators of deeper, more fundamental, economic and political activities taking place, such as those associated with the rise of precarious work.
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economic distress by expanding their social safety nets (Hewison 2002; Haggard 2005: 25). Various processes unleashed by and associated with the emergence and deepening of democratization challenged developmental states, which had generally been authoritarian (in Taiwan, Indonesia, South Korea, Thailand, and perhaps less decisively in Japan and, perhaps Hong Kong). Democratization was “fundamentally changing political incentives with respect to social policy” (Haggard 2005: 22) in two ways: politicians facing election had incentives to adopt populist policies that support income redistribution and expanded social welfare commitments, and previously excluded groups—such as unions and NGOs—had enhanced opportunities for expressing political demands (Haggard 2005: 23).

Pressures produced by democratization are intimately related to the kinds of social movements and class mobilization we discussed in the previous section. Drawing on Esping-Andersen, Holliday (2000: 719) recognizes that class mobilization is critical for understanding the shape of social welfare regimes. However, while “popular mobilization” is noted as being “not entirely nonexistent” in East and Southeast Asia, Holliday emphasizes the politically dampening impacts of “extensive elite control” and labor acquiescence to “benevolent authoritarianism.” Haggard’s point is that this era of authoritarianism and compliance has passed. Holliday (2000: 729) also notes that “workers will tend to get a bad deal from capitalists unless they can effectively mobilize.” Of course, when examining precarious work, this latter point has some resonance.

The nature of the politics of precarious work and social welfare differs, of course, among countries and welfare regime types: national institutions and cultural processes have led to divergence in the ways in which individual capitalist countries have responded to the competitive and other social and economic forces we have described. Whether Western or Asian, welfare regimes represent highly politicized sets of policies, they are always challenged and contested.6 At the same time,

6 This is a point made in 1961, seemingly at the apotheosis of Britain’s welfare state, when Asa Briggs (1961: 10) observed that it was: “abundantly clear that the ideals which inspired the achievement of a 'welfare state’ are now no longer
what is happening in many Asian countries is similar to developments in other countries in the West, as powerful groups seek to protect their interests and nations are under pressure to extend protections to those outsiders who were not formerly covered by them (e.g., Emrenegger et al. 2012). Therefore, it is likely that there is not necessarily an “Asian” model of regulatory reform (Deyo 2012: 246), and that it is possible to identify commonalities among the political responses to the growth of precarious work that diminish the emphasis on region, regime type, or worlds of “welfare capitalism.”

For example, the recent increase in attention to welfare in several Asian states after the financial crises of 1997-1998 can be seen as an attempt to maintain order and regulate labor, much like Bismarck’s introduction of welfare policies in Germany in the late nineteenth century. Governments have recognized that there is a need to provide workers with greater protections as a result of the pressures on employers to be more flexible. Thus, Kwon (2007: 3) asserts that Bismarck’s interest in social welfare was “to facilitate industrialization ...and at the same time to undermine support for the socialist movement.” Kwon (2007: 4) then notes that East Asian welfare regimes “conceived as instrumental to economic and political objectives...are clearly in line with the Bismarckian concept.” Briggs’s account of Bismarck’s welfare innovations tells a story of political contestation and a fear of class war, where he sought to reestablish control over—or even encourage the “subservience” of—workers who were attracted to social democracy and socialism. Briggs (1961: 30) portrays Bismarck’s policies as a conservative “alternative to liberalism” [emphasis added.] Perhaps the “welfare” policies of Lee Kuan Yew, the conservative leader of Singapore, can also be seen as Bismarckian in their politics.
VI. Policies: Protecting Against the Consequences of Precarious Work

In the new era of precarious work, nations struggle to handle the trade-offs between unemployment and equality that have become increasingly problematic. All countries are faced with the basic problem of balancing flexibility for employers and security for workers. States need to reconcile two agendas in order to obtain political legitimacy as well as economic growth: a social agenda related to social protection, employment stability, and economic security (emphasized by workers); and an economic agenda related to the requirements of competitiveness and growth (emphasized by economic elites). As Deyo (2012: 4) puts it: “It is the problematic and seeming incompatibility of these two agendas —making markets work, and protecting society and ensuring social order—that drives the continuing and incessant change in trajectories of social and economic regulation.”

In order to tackle these issues, policies are needed that maintain flexibility for employers yet still provide individuals with (1) a safety net that protects them from the consequences of precarious work, (2) a system of retraining and preparation for good jobs, and (3) labor regulations and laws that protect those in non-regular employment. We discuss these components in general terms, as the other authors in this volume will discuss them in more detail for specific countries.

1. Expanding and Strengthening the Safety Net

The efforts of governments in Asia to address issues related to precarious work have been prompted by demographic changes that are similar to those occurring in industrial countries generally, such as the considerable aging of populations, smaller families, and the associated decline in fertility. Moreover, gender roles have changed as women’s participation in the workforce has expanded. These changes have meant that the state-market-family relationships of the EASWM (and other welfare models that were linked to the SER, especially those in the conservative and liberal welfare regimes) require modification. In addition, the growth of inequality (discussed above) has threatened the
middle classes of all industrial nations, thereby increasing the need for
governments to pay greater attention to social protections.

Various kinds of social protections are needed to help individuals
cope with the uncertainty and insecurity associated with the growth of
precarious work. The Asian Development Bank’s Social Protection
Index identifies three major types of social protection: (1) *social
insurance*, which consists of contributory schemes to help people
respond to common risks, such as illness, old age, and unemployment
(e.g., health insurance, pensions, and unemployment insurance); (2)
*social assistance*, which refers to unrequited transfers to groups, such as
the poor, who cannot qualify for insurance or would receive inadequate
benefits from such a source (e.g., cash or in-kind transfers, child welfare,
assistance to the elderly, health assistance, disability benefits, disaster
relief); and (3) *active labor market programs* that are designed to help
people secure employment (e.g., skill development and training
programs and special work programs, such as cash- or food-for-work).

The amount of government spending on public welfare in Asian
countries is generally lower than in Europe, but this is not necessarily
indicative of a lower level of social protection, as the private sector and
families (via an emphasis on individual responsibility and personal
savings) have historically played a larger role in its provision (Kwon
1997). Taken as a whole, countries in Asia spend most on social
insurance programs (59 percent), with 36 percent of expenditures going
to social assistance and only 5 percent going to active labor market
programs (ADB 2013). In terms of who receives these benefits, 58
percent of the beneficiaries receive social assistance, compared to 37
percent who receive social insurance and 5 percent who benefit from
active labor market policies. Moreover, the coverage provided by social
protection expenditures tends to be relatively broad, but not particularly
deep, as figure 2 shows. Japan spends the most, covering over 90
percent of the population and spending about 19 percent of GDP in 2009.
Spending on social protection is neither very broad nor deep in most
other countries of the region, ranging from tiny percentages of GDP to
about 7 percent in Korea.7

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7 According to the ADB, its Social Protection Index (SPI) is a “relatively simple
The kinds of political pressures generated by various forms of activism and democratization discussed earlier have led to an expansion of social spending and a deepening of welfare programs in East and Southeast Asia, particularly in the area of healthcare. Indeed, Haggard (2005: 46) notes that many of the countries of East Asia "are no longer

Figure 2
Social Protections in Asia (Overall, Breath and Depth), 2005-2010

indicator that divides total expenditures on social protection by the total number of intended beneficiaries of social insurance, social assistance, and labor market programs. The SPI can be disaggregated into the depth and breadth of coverage of social protection. Depth means the average size of benefits received by actual beneficiaries, and breadth means the proportion of intended beneficiaries who actually receive benefits." (http://blogs.adb.org/blog/all-you-need-know-about-adbs-social-protection-index#sthash.ZPjKaYY.dpuf).

By contrast, in the already developed countries of Western Europe, North America, and Australia and New Zealand, there has been a stagnation of state social expenditures, seeing an upward bump following the 2008 economic crisis, but generally staying about the same percentage of GDP through the 1990s and 2000s (OECD 2013).
the minimal welfare states that earlier literature had suggested. To the contrary, in a number of policy areas, most notably health care, these middle-income countries have leapfrogged more liberal welfare systems...[including] the United States.” For example, the increases in state social expenditure in Japan and Korea have been significant (OECD 2013). And the figures for Thailand, Indonesia, and some other Southeast Asian societies have increased strongly as health schemes aspiring to be universal have been introduced in recent years. These data reflect pressures for some of the previously narrow welfare programs to be expanded and for some new programs to be introduced, especially following the 1997-1998 financial crisis. Once in place, these programs were often difficult to wind back and became institutionalized as a more-or-less permanent and expanded social safety net in some countries.

Despite these promising developments, to address the new risk structures, countries are likely to adopt institutions that are not fundamentally different from the previous ones, since “‘postindustrial’ transformation is institutionally path-dependent” (Esping-Andersen 1999: 4). Despite an expansion of healthcare benefits, for example, there are still gaps in health insurance coverage in many countries for regular as opposed to non-regular workers, since the former are more apt to participate in contributory social insurance schemes that provide higher quality healthcare.

2. “Flexicurity” and Active Labor Market Policies

Asian countries spend relatively little on active labor market policies, as we noted in the previous section. Yet the creation of a more flexible labor force requires governments to facilitate labor force transition. The idea of “flexicurity” offers a general way of conceptualizing the needed risk structures. Originating in Europe and now spreading to Asia and elsewhere, these models involve both employers and workers in a cooperative effort and suggest the efficacy of labor market institutions for addressing the challenges and consequences of the global division of labor and the tendencies toward precarious work.

Flexicurity is an appealing concept in that it offers a narrative about how employers and labor markets can have greater flexibility and workers can still be protected from the insecurity created by employers’
search for such flexibility. There are a few key design principles that underlie flexicurity programs. First, they provide employers and labor markets with flexibility to adjust levels of employment (numerical flexibility, which includes both adjusting the number of employees and the number and distribution of working hours) and compensation (wage flexibility). In some cases, flexicurity can also provide employers with functional flexibility to move employees among tasks or to alter the content of their work (Wilthagen and Tros 2004).

Second, active labor market policies associated with flexicurity provide workers with greater opportunities for lifelong learning and employability (Viebrock and Clasen 2009). This reemployment assistance includes opportunities for retraining, job counseling, and help in finding new jobs, thereby giving workers security as they move from one job to another. Moreover, receipt of these benefits requires engagement on the part of individuals, who must take personal responsibility to search for jobs, participate in retraining, and visit job counselors in order to take advantage of the opportunities available through active labor market policies.

Third, flexicurity programs tend to be individualized and to provide a customized rather than a standardized, "one size fits all" set of services. Thus, benefits are often adjusted to the needs of particular individuals, such as older or young workers, those with families, and so on.

A final design feature of flexicurity is that it takes different forms in different settings and can be adapted to the characteristics of different countries. A number of countries have adopted—or are in the process of adopting—some version of the flexicurity system. These principles need to be tailored to their context. In the Netherlands, employers achieve flexibility through atypical, flexible types of jobs, such as part-time work. Workers in these nonstandard or atypical jobs have similar social security rights to those on standard employment contracts, however. The Dutch system emphasizes employment (as opposed to job) security and social security especially for weaker groups (such as those on nonstandard employment relations) inside and outside the labor market. In Denmark, low levels of job protection (which give employers great numerical flexibility) are combined with high levels of social protection: the security on any one job is relatively low but employment security is
fairly high since unemployed workers are given a great deal of protection and help in the form of income compensation, education, and job training to find new jobs (Westergaard-Nielsen 2008: 44).

By contrast, the Japanese system of flexicurity has traditionally provided employers with high levels of internal, functional flexibility, as broad job classifications permitted them to move workers among tasks and departments in response to organizational needs. High levels of employment protection facilitated such flexibility for workers, especially males below a certain age in large organizations who enjoyed “lifetime” employment. Once unemployed, however, Japanese workers had relatively low levels of social protection due to a weak welfare system. Hence, the company-level system of flexicurity in Japan differs from the societal level systems in countries such as Denmark or the Netherlands, which are linked to these countries’ active labor market policies. The challenge for Japan is to provide more active labor market policies to help workers transition among jobs and to provide greater social security protection for non-regular workers to compensate for their low level of employment protection (Chatani 2008).

Korea’s flexicurity approach is illustrated by its Employment Insurance System, which focuses on long-term up-skilling rather than short-term job placement. Korea’s Vocational Training Promotion Act supports active labor market policies that seek to make workers more flexible and adaptive to change (Deyo 2012: 191-192). These active labor market policies were promoted by Korea’s relatively strong unions and are the most comprehensive in developing Asia (Deyo 2012: 170). Even so, these programs tend to focus on workers linked to the SER and, like Japan’s, involve low levels of public expenditures relative to other OECD countries.9 Moreover, Korea’s system provides very low levels of income replacement to the unemployed compared to other OECD countries.10

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3. Labor Laws and Labor Market Regulations

The SER was the basis of the vast majority of labor laws and labor market regulations that were enacted in industrial nations. The rise of non-regular and precarious work has led to pressure on governments to update these laws and re-regulate labor markets so as to extend protections to those who do not have SERs. We briefly illustrate some of these regulatory responses here, as subsequent chapters will discuss them in more detail for specific countries.

A number of countries have sought to extend protections to non-regular workers. For example, in China, amendments to the Labor Contract Law of 2007 attempt to define what kinds of work can be subjected to labor dispatch and to institute the principle of equal pay for equal work (see the chapter by Feng Xu). Taiwan's Council for Labor Affairs has extended the Labor Standards Act to include precarious and part-time workers (see the chapter by Lue, Hsiao, and Lee). The government of the Philippines has attempted to regulate service contracting agencies through a variety of orders issued by the Department of Labor and Employment (see the chapter by Ofreneo). Unions and NGOs in Indonesia have achieved some success in pressing for legislative protection for precarious workers (see the chapter by Tjandraningsih). Finally, Japan has adopted a new individual labor tribunal system for resolving the rights disputes that have increased since the early 1990s due to the rise in non-regular workers. This new system operates outside of the workplace and traditional Japanese enterprise unions (Araki 2013).

While governments have sought to re-regulate precarious workers through a variety of laws, the question remains as to how effective these efforts have been. Often, governments do not enforce the laws that are on the books or employers have been able to circumvent them. For example, South Korea has passed a variety of laws to protect non-regular workers, though these have been fairly unsuccessful in providing these workers with the regulatory protections they need (see the chapter by Shin). In other cases, policies have reflected the kind of path dependence discussed earlier—as in Japan, where policies (such as the paato law of 2008) that prohibit discriminatory treatment of non-regular workers...
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(such as part-timers) only apply to workers who display ideals of "company citizenship" and are as committed to firms as regular workers and who perform similar work (see the chapter by Imai in this volume). This reinforces the EASWM's emphasis on contributions to business as the basis for social protections.

VII. Conclusion: Challenges Ahead

Addressing the negative consequences of precarious work underscores the political nature of economic restructuring and social welfare. While capital in the West may seize on global competition and economic crisis to increase the flexibility of the workforce while remaining confident that its structural power means the state will manage the transitions and social impacts, for the political and economic elites of East and Southeast Asia, the threat of social unrest has required different political responses. Elites may want to calm the unrest generated by capitalism's competitive transformation and maintain order in society through electoral populism or the kind of social welfare expansion that was part of Bismarck's conservative agenda more than a century ago. In this sense, welfare is organized to "maintain social order and regulate labor".

By 2013, the Network of East Asian Think-tanks (2013) was recommending that sustainable development needed to embrace "inclusive" growth (emphasis added), adding that "social welfare is an important aspect of this inclusive growth development strategy." Tang's claim that "welfare states" were nowhere on the horizon would certainly be questioned, although the nature of the "welfare state" is likely to be modified by contested policy (Tang 2000: 10). The plea for "inclusive growth" does not sound like a simple reemphasis of the developmental-productivist social welfare model. It may represent a nod in the direction of "growth with equity," but it is an admission that that phase has passed. If it has passed, then claims about East Asian "exceptionalism" also need to be reconsidered.

Policies to confront the spread of precarious work must take into account the recent structural changes in employment relations as well as recognize that the growth of precarious work is not just a jobs problem, but is intimately related to broader social trends. Labor, product, and
capital markets are global phenomena, and they interact to intensify price competition. The rapidity of technological innovation both forces companies to become more competitive globally and makes it relatively easy for them to move goods, capital, and people within and across borders at an ever-accelerating pace. Outsourcing and temporary work are progressively more available options for reducing costs and are legitimated by neo-liberal and individualistic ideologies and policies that have encouraged a limited welfare state, weakening of unions, lowering of taxes and fees on businesses, and fiscal discipline taking precedence over social protections.

The emergence of cross-class coalitions reminds us that the negative consequences associated with precarious work have implications that go well beyond the workplace. Inequality and precarity emanating from work are pressing issues because of their far-reaching impacts on individuals’ non-work lives, their families and communities, and the larger society more generally. Thus, policies that address the role and extent of social welfare and societal welfare regimes must supplement programs and strategies related to labor markets. A key objective of social policies is to insure the population against social risks; such social protections are necessary in order to encourage people to take entrepreneurial chances and to embrace technological innovations, the influx of immigrants, and other changes that may affect their jobs and job prospects.

A range of alternative policy strategies might be effective in addressing the problems created by precarious work (e.g., Lee and Kofman 2012). We have suggested the idea of flexicurity as a narrative that describes a possible way forward. Such a strategy raises a number of challenges, however. One is whether it is realistic and acceptable to deregulate job protection laws (to increase flexibility) when social security systems are not yet fully developed. Expanding social protections is also likely to require increased taxes at a time when nations are competing on the basis of “lowering” taxes. Moreover, flexicurity strategies require social dialogue, which is especially difficult in countries where capital-labor tensions are high, such as in South Korea.

An engagement of civil society organizations, including NGOs,
might be another strategy for achieving change in labor market policies and welfare policies. Precarious workers are difficult to organize in some countries where company unionism prevails and in countries with a large informal sector. Precarious workers are also less likely to have access to formal and institutional politics, and so new forms of organization are more likely to be successful.

Precarious workers are united in their experiences of anger (due to blocked aspirations), anomie (a passivity resulting from despair about not finding meaningful work), anxiety (due to chronic insecurity), and alienation (due to lack of purpose and social disapproval). These characteristics that unite precarious workers also mean, as Standing (2011) has observed, that the “precariat” is a potentially “dangerous class,” capable of being mobilized by different groups for various ends, not all of them progressive. In this context alone, precarious work creates a challenge for policymakers. The broader context of social fragmentation and the spread of precarious work and its consequences create regime-defining challenges involving not just the state, but business and labor too as they struggle to develop institutional structures capable of addressing current conditions of insecurity and inequality.

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